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# ***Daily Report***

## **China**

FBIS-CHI-90-181  
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# Daily Report

## China

FBIS-CHI-90-181

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18 September 1990

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### U.S. Military Presence in Middle East Viewed

OW1809090990 Beijing Domestic Service  
in Mandarin 0530 GMT 18 Sep 90

[Talk on international current events from "International News and Current Events" program: "Gulf Conflict and U.S. Interests"]

[Text] U.S. President Bush addressed the joint session of the U.S. Congress on 11 September. In his address, he told the Congress and American people the reasons and objectives of U.S. deployment of troops to the Gulf region. He pointed out that neither U.S. interests nor U.S. involvement in the Gulf is temporary. Then, what are the interests that the United States wants to defend in the Gulf region? American political figures and news media have a great deal of comment on this question.

Brzezinski, former U.S. National Security Assistant to the President, said in an article: The deployment of troops to the Gulf region is the only correct choice for the United States. It is because only in this way can we protect sensible petroleum-producing nations in breaking the OPEC monopoly, and create a situation favorable to us.

Hamilton, a Democratic Congressman and Middle East expert, put it even more bluntly: U.S. deployment of troops to the Gulf region is not for democracy there, but for money and oil and the question of who should control them.

U.S. personalities and media also point out in their analysis that another reason for U.S. troop deployment to the Gulf region is to deal a blow at Iraq to clear the obstacle to U.S. implementation of its Middle East policy. In recent years, no progress has been made in the peace process in the Middle East. U.S.-backed Israel refuses to withdraw from Arab land it seized in 1967. On the contrary, it is carrying out a resettlement program on an even larger scale. Since the eight-year war with Iran, Iraq has enhanced its military strength and raised a banner of uniting the Arabs to deal with Israel. This has upset Israel and the United States. The Iraqi invasion of Kuwait has given the United States an opportunity to take large-scale military actions against the Arab hardliner for the purpose of gaining control of Middle East affairs.

Currently, more than 100,000 ground troops, some 50 warships and several hundred combat aircraft have been deployed by the United States to the Gulf region, and the size of U.S. forces there is still growing. On the future of those troops, President Bush told Soviet President Gorbachev at a recent meeting that U.S. forces would be withdrawn when the security demand in the Gulf region is met and the United States is satisfied with the situation there. At the same time, some U.S. news media believe that U.S. forces will stay there for a long time.

Supplying a footnote to those forecasts, U.S. Secretary of State Baker recently put forward the view that it is necessary to establish a security organization patterned after the NATO in the Gulf region, and one of the measures will be keeping a permanent U.S. military presence there. Such a U.S. long-range strategic objective has aroused concern among the countries concerned. It has not only caused misgivings among Arab nations, but also widened the distance between the United States and some of its European allies. Some newspapers and journals in the United States believe that this is one of the difficult problems facing the United States in the Gulf crisis.

### Impact of Gulf Crisis on Japan's Diplomacy Noted

HK1809090190 Beijing SHIJIE ZHISHI in Chinese  
No 17, 1 Sep 90, pp 9-10

[Article by Zhang Hong (1728 4767): "The Gulf Situation Is Testing Japan's Foreign Policy Toward the Middle East"]

[Text] Japan's diplomacy, which went on smoothly after the summit meeting of the seven Western nations, has encountered new troubles, and the Kaifu cabinet, which was supported by its diplomatic achievements, is faced with new tests.

Japan must import 70 percent of the oil it consumes from the Middle East. Iraq's armed invasion and occupation of Kuwait had serious impact on Japan's oil imports. Prime Minister Kaifu was forced to postpone his visit to five Middle East countries. Japan has encountered new troubles in its Middle East diplomacy.

Prime Minister Kaifu planned to visit Turkey, Saudi Arabia, Oman, Jordan, and Egypt in August long ago. He attached great importance to the trip to the Middle East, and showed great interest in it, taking it as another major round of his "big power diplomatic activities" after his visit to Southeast Asia in May. Kaifu originally planned to include more content in his planned visit to the Middle East in order to shake off Japan's previous "oil-centered diplomacy" and to establish "interdependent relations of a certain scope and a certain depth" in the Middle East through actively unfolding technical and cultural cooperation with Middle East countries. At the same time, Japan also tried to play a certain role in promoting the peaceful settlement of some regional disputes, thus building up an image of contributing to world peace and stability at home and abroad. However, after Iraq dispatched troops to invade and occupy Kuwait and the United States and other European and American countries deployed their armed forces in Saudi Arabia, Kaifu found it hard to fulfill the goodwill-showing purpose of his planned visit. Prime Minister Kaifu, Chief Cabinet Secretary Sakamoto, and the Foreign Ministry headed by Foreign Minister Nakayama immediately held an urgent meeting to discuss the relevant issues. After repeatedly weighing the advantages

and disadvantages, on the morning of 13 August Sakamoto officially announced at a news conference that Prime Minister Kaifu's visit to the five Middle East countries originally scheduled to begin on 15 August would be postponed until this autumn. However, he also announced that Foreign Minister Nakayama would visit the five countries in the same week as the prime minister's representative. Sakamoto explained the postponement by saying that the Japanese Government needed to "formulate the concrete policy for realizing stability in the Middle East." Kaifu did not want to cancel this visit and even on 9 August, he told some reporters in Nagasaki that the visit would be made "according to the original plan without any change." Therefore, the mass media in Japan held that Kaifu yielded to the pressure from the Foreign Ministry and was forced to make the painful decision of postponing his visit.

According to the foreign news agencies, Kaifu attached importance to his planned visit because he wanted to further consolidate his domestic position through making new diplomatic achievements. It was believed that Kaifu's diplomacy was highly valued and gained credit again and again at home and abroad after the summit meeting of the seven Western nations in Houston. Paying a visit to the Middle East would be another major step forward on the crest of the successes. However, an unexpected storm occurred. After the Foreign Ministry gave repeated advice and the major government leaders exchanged opinions for many times, Kaifu finally gave up his plan to visit the Middle East. Therefore, some commentators said that Kaifu's diplomacy, which had been going on smoothly, was faced with a stern test.

Reportedly, the Foreign Ministry mainly cited two reasons in its advice to the prime minister. First, Japan has not yet worked out a concrete policy for promoting the Middle East's stability. If Kaifu makes the visit, Japan will be asked by the host countries to directly involve itself in the affairs there. Due to the restraints of Japan's constitution, the prime minister will not be able to give an immediate reply. More importantly, the visit to Saudi Arabia would irritate Iraq, and this would in turn threaten the safety of Japanese nationals living in Iraq and Kuwait. A commentary of the KYODO News Agency said that on the one hand, Japan tried to show that it would make contributions to world peace; on the other hand, it could only flinch when trouble occurred. This is Japan's biggest weak point. SANKEI SHIMBUN said that Japan's diplomacy was always constrained by such factors as "Japanese people's safety" and the "constitutional stipulations" and was thus bogged down in a passive position. The mass media in Japan generally held that this time, the postponement of Kaifu's visit may have an unfavorable impact on the fulfillment of his grand aspirations of playing "big power diplomacy." Also, the position of the Kaifu cabinet in domestic politics, being supported by its diplomatic achievements in the past, may also be affected.

### **Iraqi Asiad Involvement Unknown 'Until Thursday'**

*OW1709150390 Tokyo KYODO in English 1340 GMT 17 Sep 90*

[Text] Beijing, Sept. 17 KYODO—The bulk of Iraq's delegation to the Asian Games will stay at home until Thursday's Olympic Council of Asia (OCA) session, at which "the fate" of its Asiad participation will be decided, an Iraqi diplomat said here Monday.

Kais al-Yacoubi, the counsellor at Iraq's Embassy in Beijing, said the delegation called off its departure for the Chinese capital scheduled for Tuesday since entry to the Athletic Village seems impossible before Thursday's meeting.

Al-Yacoubi also sounded less sanguine regarding Iraq's chances of taking part in the September 22 - October 7 games. He said no one can foresee the outcome of Thursday's ballot.

He said last Friday that Iraq has a good chance of being able to participate in the games with the support of OCA members.

Iraq's soccer team has been staying on the outskirts of Beijing since late last month but has not been able to enter the Athletic Village. The games organizing committee would not allow it to do so to avoid unnecessary friction.

### **Taipei Sports Delegation Arrives 17 Sep**

*OW1709161490 Beijing XINHUA in English 1529 GMT 17 Sep 90*

[Text] Beijing, September 17 (XINHUA)—The Chinese Taipei sports delegation arrived in Beijing today to compete in the 11th Asian Games starts from September 22.

The 306-member delegation reached Beijing's capital airport in the afternoon and then directly went to the Asian Games Village where all the participants will stay during the games.

Six Chinese Taipei teams including the women's volleyball, wushu and gymnastics arrived in Beijing earlier and entered the village on September 8.

### **DPRK Suggests Joint Korean 'Cheer Squad'**

*OW1809072290 Tokyo KYODO in English 0652 GMT 18 Sep 90*

[Text] Beijing, Sept. 18 KYODO—A North Korean official said Monday his country is willing to meet South Korea in Beijing to discuss a joint cheer squad for the upcoming Asian Games.

Kim Hyong-chin, chief northern delegate to the inter-Korean sports talks, told KYODO NEWS SERVICE on Monday he is willing to meet the South's chief delegate

Chang Chong-sik here in Beijing to resume the suspended talks to realize the formation of a joint cheer squad.

Kim said he would like a meeting between Kim Yu-sun who is president of North Korea's Physical Education Committee and of its Olympic Committee, and the South's minister of sports, Chong Tong-song, and president of its Olympic Committee Kim Chong-yul, in Beijing during the Asiad.

"We couldn't send a joint athletes' team to the Asiad, but at least we should cheer together under the same flag and song agreed upon in the sports talks," Kim said through an interpreter. "The situation will improve considerably if we can confirm through the games that we are of the same race, and not confronting each other in them."

Kim emphasized the importance of the inter-Korean talks and said that sports should lead the way in accelerating the unification of the two Koreas.

"We must send a unified team to next year's world table tennis championships in Makuhari, Chiba Prefecture in Japan, and to the 1992 Barcelona Olympics," Kim said.

Kim's expressed intention to resume the sports talks and his singling out of the South Korean sports minister as his choice for such dialogue marks a significant change in North Korean policy.

Lively discussions are likely between the two Koreas in Beijing during the Asian Games.

Meanwhile, Kim said he will respect the host country China's stance on the issue of Iraq's participation in the Asiad.

During the interview, Kim said the South estimates North Korea will win 22 gold medals.

"But we would like to win at least one more than that," Kim joked.

#### **XINHUA 'Roundup' Examines UNGA Session**

*OW1809090190 Beijing XINHUA in English  
0820 GMT 18 Sep 90*

["Roundup: 45th United Nations General Assembly Session Faces Pressing Issues (by Qian Wenrong)—XINHUA headline]

[Text] September 13 (XINHUA)—The 45th U.N. General Assembly session will open on September 18 to deal with a series of pressing international problems under a new and complex world situation with joy and anxiety intermingled.

The past year has witnessed the continued lowering of temperature in most of the hot spots with the further improvement of U.S.-Soviet relations and U.N. peace efforts.

The Namibian people won independence on March 21 this year, ending the 74-year rule by South Africa. A new government was elected last February under the U.N. supervision, making an important step forward in the peace process in Central America. The U.N. secretary general has also made certain progress in his efforts to seek solutions to the problems of Western Sahara and Cyprus.

All these encouraging successes once again demonstrate the further strengthening of the U.N. role in peace-making and peace-keeping.

However, people have also seen that the relaxation of confrontation between the two superpowers has not guaranteed peace and stability in the world. In fact, the world has become a more turbulent place as the global pattern of relations between states has become imbalanced. The Gulf crisis, an illustration of the troublesome situation, has caused great concern and anxiety of the world people and certainly will be the most pressing issue on the agenda of the current General Assembly session.

The overwhelming majority of delegates are expected to condemn the invasion and annexation by Iraq of Kuwait, a member of the United Nations. They will also call on Iraq to withdraw its occupation forces from Kuwait immediately, completely and unconditionally in compliance with the relevant resolutions of the Security Council.

At the same time, delegates from the Third World in particular will urge the United Nations to cooperate with Arab countries and other peace-loving countries to explore a peaceful solution to the Gulf crisis and oppose the military involvement by big powers so that a military conflict could be avoided.

A heat [as received] debate might take place when the legitimate seat of Kuwait and its delegates' credentials will be challenged.

The Gulf crisis has also made the Middle East problem more complicated. "We were on the verge of some serious catastrophe (in the region)," Joseph Garba, president of the 44th General Assembly, warned, adding that "now, more than ever before, everyone realizes the need to have a genuine peace in the Middle East."

Delegates, particularly those from the Arab world, will eagerly renew their call for early convocation of an international conference on the Middle East to seek a peaceful settlement of the "intractable" problem.

The Cambodian problem, which was caused by the Vietnamese military invasion eleven years ago, will be another hot issue in the assembly session.

Latest developments show that the four warring factions—Sihanouk group, Democratic Kampuchea Party, Son Sann faction and the Vietnam-installed Phnom Penh regime—have accepted the framework mapped out by the five permanent members of the Security Council on the peaceful settlement of the Cambodian question

and agreed to establish the Supreme National Council (SNC) as the sole legal administration and the source of authority during the transitional period. The formation of the SNC which will represent Cambodia externally and occupy the seat of Cambodia at the United Nations has shattered a recently fermented attempt to leave the Cambodian seat vacant at this year's session and laid foundations for a comprehensive political solution to the Cambodian problem. This is a major breakthrough and key step toward peace in this war-worn country.

However, U.N. observers believe that there is still a hard way to go from the formation of the SNC to the signing and implementing of the overall political settlement. Problems remain unsolved on the U.N. supervision and verification of a total Vietnamese withdrawal from Cambodia, ceasefire in the country and the treatment of armed forces of the four factions.

Therefore, delegates of various countries, while welcoming the progress, will continue to call for a complete Vietnamese withdrawal under the U.N. supervision and verification and urge the four factions to keep their own words and take practical measures to bring about peace and achieve genuine national reconciliation.

Of the 152 items in the provisional agenda of the current Assembly session, 25 are related to the disarmament issues. This indicates the depth and continuity of the Assembly's concern with this problem.

Although the two superpowers have made certain progress in their negotiations on bilateral disarmament, they still possess the largest nuclear and conventional arsenals sufficient to destroy the earth several times over, continually posing a threat to world peace.

The overwhelming majority of countries will once again urge the two superpowers to perform their special responsibility for disarmament and call on the United Nations to play greater role in the field of multilateral disarmament.

During the debate on this question, any renewed attempt to shift the responsibility of disarmament onto the developing countries will be rebuffed again by the Third World countries as before.

While the trend towards relaxation is gaining momentum, the economic problem have become an ever more pressing issue of the United Nations. The current world economic development is extremely uneven. While developed countries have enjoyed economic growth for several years running, developing countries have suffered severe economic setbacks. The heavy debt burden, reduced inflow of funds, worsening trade terms and growing protectionism have all seriously hampered the economic growth of developing countries.

The developing countries are expected to call on the international community, the developed countries in

particular, to implement the "Declaration on International Economic Cooperation, in Particular the Revitalization of Economic Growth and Development of the Developing Countries" which was adopted by the special economic session in April this year.

The developed countries will be urged to take practical measures and steps to carry out their commitments in helping solve the debt problem, providing official financial assistance, checking the outflow of funds from developing countries and removing protectionism so as to help revitalize the economy of the developing countries and achieve the goal of common development.

Observers believe that a spirit of pragmatism, dialogue and cooperation which emerged since 1987 will continue to prevail throughout the current Assembly session. The United States and the Soviet Union will continue their cooperation despite certain differences might emerge on some issues but will not hamper their already improved relationship. East European countries will no longer speak in one voice as a result of the disintegration of the East European bloc.

Divergence of views and arguments between developing and developed countries will be unavoidable on many issues but the general atmosphere of the debate will be mild.

Nevertheless, the international public hopes that the current General Assembly session will reach broader agreements and adopt positive resolutions on a series of major international issues so as to make new contributions to maintaining world peace and promoting international cooperation and development.

#### **Nuclear Industry Minister Attends IAEA Meeting**

*OW1809022090 Beijing XINHUA in English  
0159 GMT 18 Sep 90*

[Text] Vienna, September 17 (XINHUA)—Kuwait, together with China and other six countries, was elected vice chairman of the 34th regular session of the General Conference of International Atomic Energy Agency (IAEA) despite Iraqi opposition.

Dr. Yyorgy Vajda, head of the Hungarian delegation, was elected chairman of the meeting of IAEA, which opened here today.

Senior government officials from 87 countries, including 25 ministers attended the opening ceremony of the meeting. This session is expected to review IAEA's annual report for 1989, its accounts for 1989 and its program and budget for 1991-1992.

Jiang Xinxiong, head of Chinese delegation and minister of Nuclear Industry, said during the general debate that nuclear energy is the "main thrust of China's nuclear industry."

He told the meeting the Chinese Government will develop its nuclear industry in a planned and systematic

manner and its capacity of nuclear energy is estimated to reach 6 million kilowatt by the end of this century.

He said China will give priority consideration to safety in developing its nuclear energy and attach importance to formulating laws and regulations and standards on nuclear safety.

The Chinese minister appealed to IAEA for its help for developing countries to establish their nuclear energy industry, adding that China will continue its friendly and cooperative ties with the agency.

The five-day meeting will also discuss measures to strengthen international cooperation in matters relating to nuclear safety and radiological protection and perhaps topics such as the chaotic world oil market, the Gulf crisis and its impact.

It also will discuss a Soviet proposal to set up an international nuclear safety research center in Chernobyl, where nuclear accident in April 1986 shocked the world as a whole.

#### **UN, World Bank Program Aid Environment**

OW1709194290 Beijing XINHUA in English  
1915 GMT 17 Sep 90

[Text] United Nations, September 17 (XINHUA)—The heads of UNDP, UNEP [UN Environmental Program] and the World Bank in a joint statement today announced a 1 billion U.S. dollar fund proposed for "assistance to developing countries for programs to protect the global environment."

The joint statement, signed here this morning by William H. Drapper, administrator of the United Nations Development Program (UNDP), Mustafa K. Tolba, executive secretary of the United Nations Environmental Program (UNEP), and Barber B. Conable, president of the World Bank, says a number of developing countries have expressed interest in participating in global initiatives for environmental protection to be financed from new and additional funds provided by industrial countries and international organizations.

The statement says the three international agencies propose to work together to help developing countries design and carry out programs in four areas of priority. They include the protection of the ozone layer, the reduction of carbon and other greenhouse gas emissions and increased efficiency in the use of energy, the protection of biodiversity and the clean-up of and protection against degradation of international waters.

The heads of the three agencies called for a speedy agreement on a 1 billion dollar global environmental facility to advance their agencies' joint "efforts to work with a broad range of developing countries and to assist them in ensuring that their development programs are undertaken in a manner which protects the global environment."

The environment programs supported by the UNDP, UNEP and the World Bank include a three-year program of action expected to help China reduce, by one half, the projected industrial use of ozone-depleting chemicals.

The UNDP is already contributing more than 500 million dollars to developing countries in support of environmentally regated programs and projects.

#### **Article Discusses International Developments**

HK1709081690 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 36, 3 Sep 90 pp 23-24

[Article by Wang Lin (3769 2651): "It Is Necessary To Take Into Account Different Possibilities in the International Situation"]

[Text] Fundamental changes have taken place in the world since the end of the war. The U.S.-Soviet polarization has now ended but a new balance of forces has not yet taken shape. Apart from being complex, the situation is changing rapidly. Where is the world heading for? What kind of world pattern will appear? There are sketchy indications, but most events are still concealed and brewing. Future developments are vague and unpredictable.

#### **The United States Will Continue To Pursue Its Global Strategy**

The United States has gained superiority over the Soviet Union in the 40-year cold war and it still ranks first in world political and military fields. But its economy has been greatly weakened and it is facing many difficulties. The United States will continue to pursue its global strategy, to practice its peaceful evolution in socialist countries, and to fill the "vacancies" left over by Soviet withdrawals from different regions in the world. But its strength is limited, so its ability is not equal to its ambition in trying to maintain world leadership. Such being the case, it cannot but rely on Japan and the EEC (mainly a reunified Germany) for help and support. Due to the rapid development of their economic strength, Japan and the EEC wish to expand their influence in the world by means of the United States.

Early this year U.S. President Bush proposed a "new Atlantic doctrine" to the EEC and a "global partnership" with Japan. In March he stressed to Japanese Prime Minister Kaifu that the "United States, Europe, and Japan should conduct political consultations and coordination more frequently." U.S., European, and Japanese leaders and high-ranking officials have devoted more efforts to bilateral or multilateral consultations for the purpose of coordinating their views and tactics. The meeting of seven heads of state [Group of Seven Summit] was originally aimed at discussing their economic issues, but tended toward a "club of rich nations," in which the discussions on economic issues were expanded to cover political and global questions. Relations are strengthening between Japan and NATO.

According to Western public opinion, the United States, Europe, and Japan are "entering a tripolar world" through consultations.

But it is not easy for the United States, Europe, and Japan to achieve this target. Their contention and conflicts are growing despite their close economic relations and their mutual political needs. Economic and trade friction is being aggravated between the United States and Japan, and the U.S.-EEC controversy, including that over agricultural subsidies, is worsening. The United States is unwilling to see Japan and Europe overtaking it, whereas neither Japan nor the EEC will be willing to stay at a disadvantage. Therefore, their coordination is limited, so limited that it cannot help resolve their contradictions. The United States, Japan, and Europe are trying to monopolize world affairs, and this will meet with resolute opposition from the rest of the world.

#### **The European Situation Is More Complicated Than in the Past**

The European situation is a focal point of concern to many countries in the world. The EEC has registered rapid economic development. It is making progress in its unification program, which includes the formation of a big market in 1992. The EEC is becoming a powerful political force in the world. But the EEC is facing more internal problems and contradictions at a time when a great change has taken place in the European situation, which will become more complicated and changeable due to German reunification. German reunification has long been the wish of the German people and should be respected, but it has aroused misgivings and worries in Europe and the rest of the world. Therefore, it is a matter of great urgency to maintain stability and security in Europe. Now economic, political, and military problems are twined together and there are different ideas and proposals on the further development of the EEC, on NATO's future, and on how to build the European Security Council into a "European House." The United States wishes to strengthen its relations with a reunified Germany and preserve the balance of forces in Europe; it wishes to prevent the Soviet Union from "isolating itself from the United States and Europe" and to use the Soviet Union to balance other forces. Europe will become a ground of rivalry for different forces in the world. The European situation will become more complicated than it was during East-West confrontation.

#### **The Soviet Union Will Have To Take Big Risks**

The situation in the Soviet Union always receives world attention and comments. The 28th CPSU Congress eventually approved Gorbachev's political report after a fierce debate. It also agreed to a programmatic statement and a new party constitution, and laid down the orientation and line of reform. But it will take great efforts to put the reform program into effect, and reaching an ideological consensus on reform will require even more arduous efforts. Economic, political, ethnic, and social problems keep growing in the Soviet Union, and the

situation is quite grim. The realization of a "regulatory market economy" and the correct handling of contradictions between federated and Soviet republics necessitate the formulation and implementation of theories. There are many practical problems in changing the agricultural structure and introducing price system reform. The Soviet Union has too heavy a foreign burden to undertake. It is not easy to reduce this burden to protect its own interests. It is even more difficult for the Soviet Union to gain U.S. trust or its economic, scientific, and technological cooperation. The Western press pointed out that the Soviet Union will encounter big and even more difficulties in the country and abroad, and there will be big risks to take.

#### **New Conflicts May Break Out in Some Third World Regions**

Many Third World countries are facing more complications and difficulties amid changes in the world situation. Assistance, trade, loans, and investments from the United States, the Soviet Union, and other developed countries are decreasing. Economic difficulties and debts are aggravating many Third World countries. The gap between the North and the South is widening following the scientific, technological, and economic explorations carried out by developed countries. Contradictions in some Third World countries, including factional, military, government, ethnic, religious, social, land, and racial conflicts, are intensifying. The complexity of relations within and between some countries may lead to new conflicts, including regional ones. In particular, the development of events in some regions, including the Middle East, are worthy of attention. Some American politicians and newspapers have time and again pointed out that although the U.S.-Soviet cold war is over, there will be more problems in the Third World. This expresses their worries over, and intention toward the Third World, thus intensifying the situation in some Third World regions.

The rapid change in the world situation suggests the following: The relaxation between U.S.-Soviet as well as East-West relations does not mean world peace, but indicates the beginning of reorganization of forces and the emergence of turmoil. All forces are taking advantage of this situation to seek superiority, expand their influence, and strengthen their positions in the world. New changes and contradictions may take place in the current world situation, as may conflicts and eventualities. Therefore, there is a need to study all possibilities and take account of both favorable and unfavorable factors. Attention should be focused on the possible outbreak of events and the trend of overall developments. It is necessary to take the initiative in the international situation, to stand fast, to bring about a new political and economic order on the basis of the five principles of peaceful coexistence, and to safeguard world peace and security.

### Prospects for Pacific Economic Cooperation Viewed

OW1509045990 Beijing in Mandarin to Taiwan  
0205 GMT 11 Sep 90

[From the "Rambling Talk on Current Events" program]

[Text] Dear listeners: In his recent visit to Indonesia, Premier Li Peng expounded China's position and stand on establishing a regional economic cooperation organization while answering questions from Indonesian reporters in Bali Island. He said: Regarding economic cooperation in the Asia-Pacific region, some countries have suggested to form an Asia-Pacific economic cooperation organization to enhance such cooperation in the region. Basically, we support this suggestion. However, it would not be feasible to simply copy any existing patterns, as the conditions and development of the Asia-Pacific nations are different. China holds that cooperation among the Asia-Pacific nations should be established on the basis of equality and mutual benefit and consultation. It was in this spirit that Premier Li Peng gave his support, as usual, to the Association of Southeast Asian Nations [ASEAN] in its efforts to expedite regional economic cooperation while visiting several ASEAN countries. He had fruitful discussions with leaders of the ASEAN nations on exchanges and cooperation in the fields of economy, trade, science, technology, and culture.

Dear listeners, now that the national strength of the so-called superpowers is on the wane, the trend of multipolarization is taking shape in the world. Military confrontation alone is gradually giving way to the competition of a multitude of national strength. Economic strength plays an increasingly important role, and regional economic cooperation becomes a developmental trend. In the past few years, marked progress has been seen in the economic development in the Pacific countries and regions. Japan, in particular, has become a major economic and financial power. The economies of a large number of developing countries and regions have also developed rapidly. During the three years from 1986 to 1988 alone, for instance, GNP of these countries grew at an average annual rate of 8.23 percent. The economic growth in such countries and regions as Hong Kong, Singapore, Taiwan, and South Korea was especially outstanding, at an average yearly rate of 10.26 percent from 1986 to 1988. They now rank among the developed countries and regions.

The aforementioned facts indicate that there is an excellent basis and bright prospect for economic cooperation in the Pacific region. As everybody knows, the Pacific region is vast in area, with a large population, abundant resources, and huge markets. Due to different development levels and demands, countries in the region can better complement each other than any other regions in the world in such areas as industrial structure, markets, resources, labor, funds, and technology. As their economies and technologies continue to develop and their mutual dependence and cooperation increase, there will

be further progress in the region's economic cooperation in the 1990's. The Pacific region, together with the European Community and the North American Free Trade Zone, will become three major regional economies in the world.

However, it should be noted that there are great differences between the economy of the Pacific region and those of the other two regions. The region has its own characteristics and diversity. First of all, countries and regions in the Pacific area differ greatly in their economic development. In addition to varied historical and geographic backgrounds, cultural traditions, and resources, some countries and regions have larger numbers of populations than others. Moreover, they differ in their political systems and economic structures and are faced with different problems. Their interests are not always the same. Nevertheless, they all want to increase their economic cooperation.

Second, due to historical reasons, there are some special characteristics as regards economic relations among nations in the Pacific region. To begin with, each country and region depends on the U.S. market to a great extent. The United States absorbs more than 40 percent of the exports from these countries and regions. Meanwhile, the United States and Japan account for approximately 50 percent of the pan-Pacific trade volume; the United States makes up 21 percent of the pan-Pacific exports and Japan 27 percent. Of its imports, the United States accounts for 40 percent and Japan 15 percent. Japan also is the biggest purchaser of government bonds and stocks in the United States. As the trade friction between the United States and Japan intensifies, they also are becoming more and more dependent on each other. Because of this, the U.S. economic and trade policies and growing protectionism are having a great impact on economic cooperation in the Pacific region. Many countries and regions increasingly feel the need to change the current economic structure in the region and to develop regional cooperation on a larger scale. Of course, this will take a lot of time and effort. Another factor is that as economic cooperation in the Pacific region continues to develop, intraregional competition also is intensifying. Japan is stepping up its trade, investment, and various forms of cooperation with Hong Kong, Singapore, Taiwan, South Korea, and the ASEAN nations, with a view to establishing an east Asian economic circle, headed by Japan itself. However, this is no easy task for Japan, because these countries and regions have learned their lessons from history. They do not want to be used as a pawn and have their interests impaired.

Some countries and regions are enhancing cooperation among themselves to consolidate their own economic positions. The ASEAN countries have been constantly strengthening their own cooperation organization and maintaining their independence. Australia and New Zealand have reached an agreement to eliminate all tariffs and quotas in their bilateral trade. With rapid economic growth, Hong Kong, Singapore, Taiwan, South Korea, and the ASEAN nations have become

more and more dependent on their exports and, therefore, are in fierce competition with each other in the global market, especially the U.S. market.

In order to reduce its trade deficits, the United States has asked these countries and regions to slash their exports to and increase their imports from the United States. It also has asked them to appreciate their currencies against the dollar, adjust their industrial structures, and so on. All of this has further complicated the situation and hampered economic cooperation in the Pacific region.

Although countries and regions in the Pacific region differ in their economic development, they can complement each other with their own strong points. Developing countries need capital and technology from developed countries, whereas developed countries obtain raw materials and labor from developing countries and find venues there to invest their money and markets for their products. Therefore, taking into consideration the peculiarities and complexity of the Pacific region, I believe that all countries, large or small, strong or weak, rich or poor, should treat each other equally in their economic cooperation. They should respect one another, take care of each other's interests, be reciprocal, and work for common growth. Based on the principle of seeking common ground while preserving differences, they should try to seek consensus on matters concerning their common interests and take concerted action. They should not try to force an accord or bully one other. Furthermore, their cooperation should be diversified, with a wide scope and flexible methods, including multilateral and bilateral cooperation. This should be achieved according to each country's will and actual conditions, so that regional cooperation will advance in various aspects and channels. As long as cooperation proceeds on these principles, economic cooperation in the Pacific region will continue to grow, and our common progress and prosperity will be achieved.

#### **Delegation Attends World Safe Water Conference**

*OW1509040290 Beijing XINHUA in English  
1558 GMT 14 Sep 90*

[Text] New Delhi, September 14 (XINHUA)—Safe water supplies and disposal of solid and liquid wastes are priorities for improved health, poverty alleviation and environmental protection. Their provision through community management must be a primary goal for the 1990s.

This was an appeal from the five day "Global Consultation on Safe Water and Sanitation for the 1990's," which concluded here this evening.

The conference said in its "New Delhi Statement" that during the international drinking water supply and sanitation decade (1981-90), developing countries have learned their own lessons.

An unprecedented progress has been made in bringing water and sanitation services to many millions of the world's poorest people.

But it was not enough. One in three of the developing world's population still lack these basic human needs, the statement said.

520 delegates from 102 countries and areas discussed in detail the problems facing the world, especially the developing countries.

The Chinese delegation spoke in the conference on the activities for the drinking water supply and sanitation decade carried out in China. It said, by the end of 1989, 71.8 percent of Chinese rural population had got their drinking water sanitary conditions improved to different degrees.

The conference was coordinated at New York by the UNDP (the United Nations Development Program) Secretariat and at New Delhi by the Indian National Organizing Committee comprising of officials from related departments in the government of India.

#### **International Symposium on Mount Taishan Held**

*OW1409225390 Beijing XINHUA in English  
1503 GMT 14 Sep 90*

[Text] Jinan, September 14 (XINHUA)—The first international symposium on Taishan, China's most famous peak, opened today in Taian City, at the foot of the mountain in Shandong Province.

Some 150 scholars from at home and abroad are attending the four-day symposium.

At the symposium Chinese and overseas experts will sum up and exchange their views and achievements in research on Mt. Taishan said Zhou Xingli, honorary president of the Mt. Taishan Society.

In 1987 Mt. Taishan was listed as part of the world's natural heritage by UNESCO (the United Nations Educational, Scientific and Cultural Organization).

In recent years scholars and experts from at home and abroad have stepped up their research into the mountains' culture, buildings, natural landscape, geology, landforms, meteorological phenomena, etc.

Beginning in the third century B.C., emperors journeyed to the mountain to worship and pray to heaven, and scholars have left many poems and inscriptions on rocks there praising its charm.

The mountain is also famous for its pine trees, spectacular sunrise and fantastic rocks.

## United States & Canada

### Han Xu Meets With U.S. President Bush

OW1709190190 Beijing XINHUA in English  
1845 GMT 17 Sep 90

[Text] Washington, September 17 (XINHUA)—U.S. President George Bush met with his old friend, Han Xu, former Chinese ambassador to the United States Sunday at the White House.

They discussed Sino-U.S. relations and other issues of mutual interest.

Present at the meeting were Chinese Ambassador Zhu Qizhen and President Bush's national security advisor Brent Scowcroft.

Han, president of the Chinese People's Association for Friendship With Foreign Countries, is currently visiting the United States as the guest of Ambassador Zhu.

### More on Exploration Contract With U.S. Firm

OW1609115990 Beijing XINHUA in English  
1033 GMT 16 Sep 90

[Text] Haikou, September 16 (XINHUA)—A U.S. and a Chinese firm have decided to jointly prospect oil in south China's Hainan Province.

A contract to this effect was signed Saturday between Myung and Associates, Inc. of the United States and the Hainan Corp. of the China National Oil Development Corp.

Myung and Associates, Inc., which is believed to be the first American oil company to invest in land oil development in China, will provide the funds while the Chinese side will offer an 80-square-kilometer area, some 25 kilometers southwest of Haikou, capital of the province.

Two years will be devoted to prospecting, to be followed by a 23-year period of development and production. The American company will invest two million U.S. dollars in oil prospecting in the first two years.

Oil and gas reserves were found in the area two years ago by the Hainan Corp. in cooperation with four other companies.

### U.S. Program on Reducing Budget Deficits Aborted

HK1809083990 Beijing RENMIN RIBAO in Chinese  
14 Sep 90 p 7

[Article by staff reporter Zhang Liang (1728 0081): "Agreement on Cutting Budgetary Deficits Again Aborted"]

[Text] Washington, 11 September—The White House and the U.S. Congress recently held, at Andrews Air Force Base in Washington's southern suburbs, another

round of talks on cutting the federal budgetary deficits. Before this round of intensive four-day talks, both sides had optimistically predicted that an agreement on cutting budgetary deficits would be reached on 10 September, so that President Bush would be able to announce it when delivering an important speech at a joint meeting of the House of Representatives and the Senate on 11 September. However, the attempt to conclude an agreement on cutting budgetary deficits has failed once again since the Democratic and Republican Parties refused to compromise on how to curtail the budgetary deficits.

It is said that the purpose in choosing Andrews Air Force Base as the venue was to keep the talks clear of disturbance and interference from reporters so that the talks' participants could attentively discuss the issue, yet the quiet environment has not brought about the expected effect. Through this round of talks, the Democratic and Republican Parties only managed to reach a common understanding on the target to curtail the federal budgetary deficits by \$50 billion in fiscal year 1991 (beginning 1 October this year) and to reduce the deficit by a total of \$500 billion in the next five years. Meanwhile, the two sides are still holding to their uncompromising stances on other substantive issues. Their main differences of opinion are: first, while the White House and the Republican congressmen insist on reducing the capital gains tax and the discount offered by state and local governments on the income tax, the Democratic congressmen call for an increase in the personal income tax on high income earners and in the gasoline tax, and suggest the introduction of a purchase tax on luxury goods; second, with regard to cutting military expenses, the White House and the Republican congressmen prefer a moderate reduction while the Democratic congressmen support a considerable reduction; and third, the White House and the Republican congressmen suggest reducing the expenditure on civil projects by a wide margin while the Democratic congressmen prefer a moderate reduction.

Thus it can be seen that this four-month-long marathon negotiation between the White House and the Congress is still at a deadlock. Earlier, people expected that this round of talks proposed by Bush would help break the deadlock, but in fact no substantial progress has been made in the talks.

At the same time, the U.S. budgetary deficit crisis is deteriorating daily. Official data show that in the first 10 months of this fiscal year federal financial deficits have amounted to \$189 billion, and it is expected that the deficits for the whole year will be close to \$221.2 billion—the all-time high recorded in 1986. As for the budgetary deficits for fiscal year 1991, as recently predicted by White House Budget Office Director Darmon [6671 2581], it will likely soar to \$250 billion if the funds expended on the program for rescuing savings and credit institutions are taken into account. Once an economic recession occurs, the federal government's tax revenue will decrease and unemployment relief funds and other

social welfare expenditures will increase. If this really happens, next year's budgetary deficits will no doubt continue to increase.

Therefore, even President Bush himself admits that the United States is facing a serious "financial deficit crisis." That was also the reason why he proposed a "top-level meeting on the budget" with Congress. Although so far the talks have been fruitless, the task to reduce deficits brooks no delay. In the first place, to cope with the threatening economic recession, the White House and Congress have to reach an agreement on cutting deficits so as to pave the way for lowering the interest rate. In the next place, an extremely urgent problem that must be resolved is that, according to the emergency budget balance law, if the White House and Congress fail to reach an agreement on cutting deficits by 1 October, the president will have to take action to "automatically curtail" deficits by \$105.7 billion, which is to be equally shared by both defense and civilian sectors. Such being the case, the poor who are surviving on social welfare will be the victims who will suffer the most.

### Soviet Union

#### Ding Guangen Leads Party Delegation to Moscow

OW1709125590 Beijing XINHUA in English  
1242 GMT 17 Sep 90

[Text] Moscow, September 17 (XINHUA)—A Chinese Communist Party delegation headed by Ding Guangen, candidate party Politburo member and secretary of the party Central Committee, arrived here this morning for a two-week friendly visit.

The Chinese party delegation came here at the invitation of the Central Committee of the Soviet Communist Party.

Valentin Kuptsov, secretary of the Soviet Communist Party Central Committee, greeted the Chinese delegation at the airport.

### Northeast Asia

#### Long-Term Trade Agreement Extended With Japan

##### Agreement Outlined

OW1709155290 Tokyo KYODO in English 1519 GMT  
17 Sep 90

[Text] Beijing, Sept. 17 KYODO—Japan and China agreed Monday to extend their current private trade pact for another five years in a move aimed at reviving shrinking bilateral trade, officials said.

The agreement came in a meeting between a visiting Japanese business mission, organized by the Japan-China Association on Economy and Trade and China's Ministry of Foreign Economic Relations and Trade, Japanese mission members said.

The bilateral trade pact was originally set for 1978-1985 and then extended until 1990.

The new accord may be signed formally in Tokyo as early as late November, reporters traveling with the 60-member business mission were told.

Under the agreement, Japan will import 8.8 to 9.3 million tons of Chinese crude oil a year in exchange for plant and related facilities, the officials said.

But the two sides left open how much Chinese coal will be imported by Japan, they said.

China has asked Japan to boost its coal imports by one million tons over a five-year period from the current 3.7 to 4.1 million tons a year.

China wanted an extension of the current pact to secure a source of foreign currencies, but the Japanese put off a formal decision due to economic sanctions imposed by the Japanese Government following the Tiananmen Square incident in June last year.

The Japanese mission, led by Ryoichi Kawai, chairman of Komatsu Ltd., a major Japanese maker of construction machinery, is on a week-long visit here for talks with Chinese officials.

Regarding China's import regulations on several industrial products, the Japanese pressed for a relaxation of such controls, but the Chinese only agreed to discuss the matter in December, the mission members said.

"The rules are not intended only for the Japanese," one Chinese official was quoted as saying.

China slapped tighter quality inspections last May on imports of nine products, including autos and motorcycles, which the Japanese say could effectively shut the Japanese products out of the Chinese market.

The Japanese mission arrived on Sunday with the aim of ending the impasse in bilateral economic ties since Beijing's military crackdown on pro-democracy demonstrators in June last year.

Pulled down by the Japanese economic sanctions, exports to China have been on the decline, shrinking 41 percent in the first half of this year over the same period last year.

#### Zheng Tuobin Meets Delegation

OW1709161390 Beijing XINHUA in English  
1533 GMT 17 Sep 90

[Text] Beijing, September 17 (XINHUA)—Zheng Tuobin, Chinese minister of Foreign Economic Relations and Trade met here this afternoon with a delegation from the Japan-China Association on Economy and Trade.

The delegation is led by senior advisor Eshiro Saito, honorary president of the Japan-China Association on

Economy and Trade and president of the Japan Economic Groups Federation, and Ryoichi Kawai, president of the Japan-China Association on Economy and Trade and vice-president of the Japan Economic Groups Federation.

In the morning Gan Ziyu, Chinese vice-minister of the State Planning Commission, held talks with the visitors, briefing them on China's economic development and Shanghai's Pudong Economic Development District.

#### **Shen Jueren Talks With Group**

OW1709163290 Beijing XINHUA in English  
1620 GMT 17 Sep 90

[Text] Beijing, September 17 (XINHUA)—A senior Chinese trade official and a Japanese delegation head today expressed their willingness to extend the Sino-Japanese long-term trade agreement which is due to expire by the end of this year.

Shen Jueren, Chinese vice-minister of Foreign Economic Relations and Trade, and the delegation from the Japan-China Association on Economy and Trade held talks here this afternoon.

During the talks, Ryoichi Kawai, delegation head, president of the Japan-China Association on Economy and Trade and a member of the Japan-China Long-Term Trade Agreement Commission, said that the Japan-China agreement on long-term trade should be extended and suggested that the new agreement be signed in Tokyo before the end of this year.

Sheng Jueren, who is also chairman of the China-Japan Long-Term Trade Agreement Commission, expressed the willingness to extend the agreement before the end of the year.

The Japan-China long-term trade agreement was signed in Beijing February 6, 1978. According to the agreement, from 1978 to 1990 each side should export products worth 20 to 30 billion U.S. dollars.

#### **Increase Planned in Crude Oil Exports to Japan**

OW1809034990 Tokyo KYODO in English 0242 GMT  
18 Sep 90

[Text] Beijing, Sept. 18 KYODO—China plans to increase exports of crude oil to Japan by 200,000 tons to 9.3 million tons for the whole of 1990, a Japanese business mission in Beijing said Tuesday.

A formal agreement on the increase will be signed between representatives of Japanese industry and the China National Petrochemical Corp. in October, according to the mission from the Japan-China Association on Economy and Trade.

The annual volume of 9.3 million tons of Chinese crude oil is the upper limit under a five-year bilateral trade accord, ending this year. The lowest annual volume is set at 8.8 million tons.

The Japanese business mission is in China for negotiations on a five-year extension of the long-term trade pact between the two countries.

The Japanese electric power industry, which had feared a fuel shortage due to demand stemming from an unusually hot summer, had been urging its Chinese counterpart to expand its supply of low-sulfur crude oil to make up for the loss of supplies resulting from the international trade embargo against Iraq.

#### **Japanese Education Minister To Attend Asiad**

OW1709134990 Beijing XINHUA in English  
1327 GMT 17 Sep 90

[Text] Tokyo, September 17 (XINHUA)—Japan is to send its education minister, Kosuke Hori, to attend the opening ceremony of the 11th Asian Games in Beijing, Chief Cabinet Secretary Misoji Sakamoto announced today.

Former Prime Minister Noboru Takeshita is also due to come to China before September 22 to announce the resumption of Japan's third loan package of 810 billion yen (6 billion U.S. dollars) during the period of fiscal 1990-1994. Many senior members of the ruling Liberal Democratic Party have visited China over the past few months.

#### **Agriculture Delegation Visits Mongolia 9-14 Sep**

OW1709032990 Beijing Domestic Service  
in Mandarin 1700 GMT 16 Sep 90

[From the "International News and Current Events" program]

[Text] A delegation of China's Ministry of Agriculture, led by Vice Minister Liu Jiang, visited Mongolia from 9 to 14 September at the invitation of the Ministry of Agriculture, Light and Food Industry of Mongolia. During the delegation's visit, it held talks with a delegation of Mongolia's Ministry of Agriculture, Light and Food Industry, which was headed by Vice Minister (Dandandaojil). Both sides briefed each other on the current situation in their respective country's agricultural and animal husbandry industry, exchanged views on exchange and cooperation in this area in the future, and signed a meeting summary.

#### **Southeast Asia & Pacific**

#### **SRV's Giap To Arrive in Beijing 19 Sep**

HK1809090890 Hong Kong AFP in English 0849 GMT  
18 Sep 90

[Text] Beijing, Sept 18 (AFP)—Vietnam's Deputy Prime Minister Nguyen Giap will arrive in Beijing Wednesday at the invitation of China's Asian Games Committee, the Vietnamese embassy said here.

Embassy officials would not comment Tuesday on the programme for the general's visit, which has gone unreported in the official Chinese media.

But a reliable source said the general, one of the architects of Vietnam's defeat of France and the United States, would be present Saturday at the official opening ceremony of the 11th Asian Games at Workers Stadium.

Gen. Giap said in Hanoi he would meet some "old friends"—Chinese leaders who backed and armed the Vietnamese in their struggle against the French and the United States.

Gen. Giap's visit is regarded as an important step towards normalising relations between Vietnam and China, which fought a brief but bloody war 11 years ago.

### **Vanuatu Foreign Minister Kalpokas Arrives 17 Sep**

#### **Begins Visit**

*OW1709140090 Beijing XINHUA in English  
1126 GMT 17 Sep 90*

[Text] Beijing, September 17 (XINHUA)—Donald Kalpokas, minister of Foreign Affairs and Judicial Services of Vanuatu, arrived here this afternoon on an official goodwill visit to China.

Chinese Vice Minister of Foreign Affairs Liu Huaqiu greeted Kalpokas at the airport.

#### **Meets Liu Huaqiu**

*OW1809094190 Beijing XINHUA in English  
0923 GMT 18 Sep 90*

[Text] Beijing, September 18 (XINHUA)—On behalf of Chinese Foreign Minister Qian Qichen, Vice-Foreign Minister Liu Huaqiu held talks here today with Donald Kalpokas, visiting minister of foreign affairs and judicial services of Vanuatu.

According to sources from the Chinese Foreign Ministry, both sides exchanged views on bilateral ties, international situation and situation in the South Pacific region, and they hold identical views on wide-ranging issues.

Both sides are satisfied with the smooth development of the friendly relations of cooperation between the two countries in recent years and deem that bilateral ties have great potential.

Kalpokus said his government will continue its "one China policy," regarding the government of the People's Republic of China as the sole legal government of China and Taiwan is an inalienable part of China.

He said he saw with his own eyes the stable political, economic and social situation in China and congratulated China on its success in diplomatic affairs.

Liu noted that China is willing to promote relations with countries in the South Pacific region on the five principles of peaceful co-existence and also on this basis, China is willing to develop ties with countries which have not yet established ties with China.

#### **Discusses Ties With Li Peng**

*OW1809125590 Beijing XINHUA in English  
1222 GMT 18 Sep 90*

[Text] Beijing, September 18 (XINHUA)—Chinese Premier Li Peng met with Donald Kalpokas, visiting Vanuatu minister of foreign affairs and judicial services, here this afternoon in the Great Hall of the People.

According to an official of the Chinese Foreign Ministry, Li explained to his guest China's independent foreign policy of peace. "All countries, big or small, rich or poor, should be equal," Li was quoted as saying.

China is willing to develop friendly ties with all countries, including those in the South Pacific region, on the basis of the five principles of peaceful co-existence, the Chinese premier said.

He said the Chinese leaders are expecting the forthcoming visit to China by Vanuatu President Fred Timakata. "We believe the visit will serve to further strengthen the friendly relations of cooperation between China and Vanuatu," Li said.

Kalpokus said that his government appreciates China's support and assistance to Vanuatu before and after its independence and attaches great importance to developing friendly ties with China.

He hoped that there would be more exchanges of visits between leaders of both countries in the future, and the two countries would enhance their economic cooperation. He also mentioned China's role in international affairs.

Present at the meeting was Chinese Vice-Foreign Minister Liu Huaqiu.

#### **NPC's Ye Fei Meets Visiting Thai Delegation**

*OW1509061790 Beijing XINHUA in English  
0135 GMT 15 Sep*

[Text] Beijing, September 15 (XINHUA)—Ye Fei, vice-chairman of the Chinese National People's Congress [NPC] Standing Committee, met with a delegation from the Congress of Parent and Teacher Association of Thailand, led by association President Yiam Intarakimhang at the Great Hall of the People here this morning.

The visitors are here as guests of the Chinese People's Association for Friendship with Foreign Countries.

### **Burmese Writers Delegation Departs for Beijing**

*OW1209102790 Beijing XINHUA in English  
0814 GMT 12 Sep 90*

[Text] Yangon [Rangoon], September 12 (XINHUA)—A Myanmar [Burma] writers delegation left here this afternoon for Beijing at the invitation of the Chinese Writers Association.

The five-member Myanmar delegation led by U Myo Thant, general-secretary of the Myanmar Literary and Journalist Organization, will pay a two-week visit to China in accordance with a plan of cultural exchange between the two countries.

During their stay in China, the Myanmar guests will visit Beijing, Guangzhou, Shenzhen and Kunming.

### **Sub-Saharan Africa**

#### **CPPCC's Cheng Siyuan Fetes Burundi Delegation**

*OW1809092490 Beijing XINHUA in English  
0851 GMT 18 Sep 90*

[Text] Beijing, September 18 (XINHUA)—Cheng Siyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], met and feted here today a Burundi delegation led by Hakizimana Gerard, national second secretary for administration and management of the Burundi Party of Unity and National Progress.

The Burundi visitors, who arrived here yesterday, will tour Beijing, Guangzhou, Haikou, Nanning and Guilin during their two-week stay in China.

#### **Donation Made for Liberian Refugees in Guinea**

*OW1509070090 Beijing XINHUA in English  
0559 GMT 15 Sep 90*

[Text] Conakry, September 14 (XINHUA)—The Red Cross Society of China donated 10,000 U.S. dollars to the Guinean Red Cross Friday as aid to the Liberian refugees taking shelter in Guinea.

The Secretary General of the Guinean Red Cross Christophe Camara received the check at the Chinese Embassy here, and he thanked the Chinese Red Cross for the help.

Guinea is having difficulties to accommodate and support more and more Liberian refugees who are crossing the border to flee the civil war.

### **West Europe**

#### **Belgian Businessman Confident of Economic Ties**

*OW1809112890 Beijing XINHUA in English  
0928 GMT 18 Sep 90*

[Text] Brussels, September 17 (XINHUA)—A Belgian business leader said he is confident about the prospect of Belgian-Chinese trade development.

Mr. Henri Lederhandler, co-president of the Council of Belgium-China Economic and Commerce Relations, said today that he believes China will not reverse its modernization policy.

The council was set up 10 years ago by a group Belgian businessmen trading with China. Members of the council have already completed five joint ventures in China and four in Belgium.

From 1987 to 1989, trade flow through the council increased continuously and remained fairly satisfactory this year.

In its meeting opening today, the council decided an action program for developing China trade within the next decade, including receiving six Chinese trade delegations in Brussels and hosting a seminar on China's economic and trade laws.

#### **Anniversary of Sino-Swiss Ties Marked in Beijing**

*OW1709151390 Beijing XINHUA in English  
1447 GMT 17 Sep 90*

[Text] Beijing, September 17 (XINHUA)—The Chinese People's Association for Friendship With Foreign Countries held a reception here this evening to mark the 40th anniversary of the establishment of the Sino-Swiss diplomatic relations.

Wang Hanbin, vice-chairman of the Standing Committee of the Chinese National People's Congress, and Swiss Ambassador to China Erwin Schurtenberger and his wife attended the reception.

In his toast, Liu Gengyin, vice-president of the Chinese People's Association for Friendship With Foreign Countries, said that in recent years the mutual understanding and friendship between Chinese and Swiss people have been consistently enhanced.

He said that the friendly cooperation and exchange in economic, trade, cultural and scientific and technological fields between China and Switzerland have also been promoted.

In his address Schurtenberger spoke highly of the development of bilateral trade and tourist and cultural exchanges between China and Switzerland.

He said that he hopes the friendship between the two countries would continue to grow and the political,

economic and cultural relations between China and Switzerland would further develop.

### East Europe

#### **Yang Shangkun Accepts Polish Envoy's Credentials**

*OW0709074090 Beijing XINHUA in English  
0719 GMT 7 Sep 90*

[Text] Beijing, September 7 (XINHUA)—Newly-appointed Polish Ambassador to China Zbigniew Dembowski presented his credentials to Chinese President Yang Shangkun here today.

Dembowski arrived in Beijing August 28.

#### **Austrian Product Samples Exhibition Opens 17 Sep**

*SK1809025090 Harbin Heilongjiang Provincial  
Service in Mandarin 1000 GMT 17 Sep 90*

[Text] The Austrian industrial product samples exhibition and technological exchange fair cosponsored by the Austrian Federal Machinery Chamber of Commerce, the commercial counsellor's office of the Austrian Embassy in China and the Harbin branch of the China Council for the Promotion of International Trade, opened today at the Heilongjiang Provincial exhibition center.

Mr. Ullmann, Austrian ambassador to China, and his wife, and Mr. (Miller), commercial counsellor, Dr. (Wolder) from the Austrian Federal Machinery Chamber of Commerce, and Li Jiating, vice mayor of Harbin City, attended the opening ceremony.

On display were products provided by nearly 60 companies and enterprises from various industrial departments in Austria, including energy, mining, textile, chemical industrial, and food departments. Through these 260-odd samples and materials, the diverse Austrian products were shown to the people.

During the exhibition, Austrian experts will give 10 technological seminars to introduce their latest technologies to the Chinese people of the same trade.

### Latin America & Caribbean

#### **Qian Qichen Leaves Bolivia, Heads for Colombia**

*OW1809081090 Beijing XINHUA in English  
0733 GMT 18 Sep 90*

[Text] La Paz, September 17 (XINHUA)—Chinese Foreign Minister Qian Qichen left here today for the Colombian capital city of Bogota after his five-day official visit to Bolivia.

Before his departure, the foreign minister expressed his satisfaction with his trip, the first visit by a Chinese foreign minister since China and Bolivia set up diplomatic relations in 1985, saying it helped expand understanding, and strengthening friendship and cooperation between the two countries.

During his trip, Qian met with Bolivian President Jaime Paz Zamora and his counterpart Carlos Iturralde. They discussed means and ways to further develop Sino-Bolivian cooperation, and exchanged views on international issues concerned.

After his trip to Bolivia and Peru this month earlier, Qian is due to visit Colombia and Venezuela.

#### **Wu Xueqian Celebrates Chile's National Day**

*OW1809091990 Beijing XINHUA in English  
0858 GMT 18 Sep 90*

[Text] Beijing, September 18 (XINHUA)—Eduardo Bravo Woodhouse, ambassador of the Republic of Chile to China, hosted a reception here this morning to mark the 180th anniversary of Chile's national day.

Wu Xueqian, Chinese vice-premier, and Lin Zongtang, Chinese minister of aerospace industry, were among the guests at the reception.

## Political & Social

### Reappearances by 'Elders' Signal Expanding Clout

HK1809022690 Hong Kong SOUTH CHINA  
MORNING POST in English 18 Sep 90 p 10

[By Willy Wo-Lap Lam]

[Text] The spate of reappearances by hard-line elders in the past week signals the expanding clout of the Communist Party's conservative wing in the runup to the crucial seventh plenum of the party Central Committee, sources in the Chinese capital said.

The Chinese media yesterday carried the remarks of the vice-chairman of the Central Advisory Commission (CAC), Mr. Bo Yibo, on the Sino-Japanese relationship.

"With the world setup changing, China and Japan and their peoples should strengthen their co-operation and contact and pass on their friendship from generation to generation," Mr. Bo said.

Mr. Bo, also honorary president of the China Council for the Promotion of International Trade (CCPIT), made the remark at a meeting with a delegation from the Japan-China Association on Economy and Trade.

As guests of the CCPIT, the 60-member delegation is led by Mr. Eshiro Saito, honorary president of the Japan-China Association on Economy and Trade and president of the Japan Economic Groups Federation.

Mr. Bo, a conservative elder and ally of CAC chairman Mr. Chen Yun, a longtime rival of patriarch Mr. Deng Xiaoping, was absent from public view for long periods after the Tiananmen Square crackdown.

However, Mr. Bo, 82, who, like Mr. Chen and Mr. Deng, is a member of the so-called Eight Major Elders, has become more active since last month.

For example, in late August, Mr. Bo took part in the meeting commemorating pioneering Marxist scholar Zhang Wentian.

Mr. Bo's message to the Japanese reflected the conservative faction's opinion that, with the U.S. boosting its influence in the post-Cold War era, Beijing must seek a "special relationship" with Tokyo.

The elder said Beijing was appreciative of Tokyo's efforts in resuming loans to China.

"There is no reason for China and Japan not to cooperate for the development of the Asia-Pacific region," he said. "We should be farsighted in our co-operation which is mutually beneficial."

On Sunday, the national media featured a speech by hard-line patriarch Mr. Peng Zhen, 87, another member of the Eight Major Elders, on the need to raise China's

guard against Washington's alleged effort to turn China into a vassal of the capitalistic world through "peaceful evolution".

Mr. Peng, another close competitor of Mr. Deng, had not put in a public appearance since June.

The mentor of Mr. Qiao Shi, a member of the Politburo Standing Committee, Mr. Peng used to be head of the country's legal and security establishment.

More significantly, Mr. Chen, 86, who is widely regarded as the "godfather" of conservatism in China, has become more active in spite of his having been largely bedridden in the past few years.

Chinese sources said recently, Politburo members Mr. Yao Yilin and Mr. Song Ping, both of whom are keen advocates of central planning, had sought the advice of Mr. Chen on the formulation of the Eighth Five Year Plan of 1991-95.

In internal speeches, Mr. Chen has pinned the blame for corruption in the party and government on the open door policy of Mr. Deng.

### CPC Members Said To Stress Reform, Opening Up

HK1809042990 Hong Kong WEN WEI PO in Chinese  
18 Sep 90 p 1

["Dispatch" by WEN WEI PO reporter Chen Chien-ping (7115 1696 1627): "Beijing Has Recently Emphasized the Necessity of Really Going Ahead With Reform and Opening Up"]

[Text] Beijing, 17 Sep (WEN WEI PO)—According to a well-informed person, the CPC high levels have recently emphasized many times that it is necessary to hold aloft the banner of reform and opening up and to really forge ahead in order to stabilize people's minds and society. This person said signs in all quarters showed that over the past year, achievements had been scored in the work of political stability, but economic stability and development was the present salient problem to be solved.

It is learned that at some important meetings, the CPC high levels repeatedly stressed the following three viewpoints:

1. Reform and opening up are in line with the maintaining of stability; and if we want to ensure real stability, we must deepen reform and continue opening up.

To straighten out the work concerning attitudes, it is essential to persistently regard positive education and self-education as the main aspect. In this way, we can arouse people's enthusiasm so that they can do everything to develop the productive forces. We suffered in the past because we did too much in the issue of the productive relations but too little in the issue of the productive forces. In the future, we must put time and energy into the issue of the development of the productive forces. Now, all reforms are carried out to promote

the development of the productive forces. We must persist in doing whatever we can to promote the productive forces. Except for this, nothing else can be regarded as a basis and standard.

2. It is imperative to pay attention to a change in leadership style. All leading cadres must ensure that during their tenure of office, they must enrich their localities; such work is significant. They must not think only of becoming a high-ranking official but must do great things, do more good and practical things for the masses, and gradually improve people's livelihood; this is the foundation of stability. Therefore, the achievements in an official career, other than slogans, are the standard for promoting leading cadres.

3. It is essential to promote the economy in a down-to-earth manner. If the economy cannot be promoted, it is very hard to create stability. Everything goes well when the economy is promoted and people's livelihood is improved. Practice is the sole criterion for testing truth. Since reform and opening up, the outlook of our country has changed, and the Chinese people can feel proud and elated in the presence of the peoples of the world. The greatest worry of the people now is whether or not the principles formulated 10 years ago will change. The workers and the masses who have obtained material benefit and the people who have engaged in the individual economy are more worried. It is, therefore, necessary to fully understand that continuously and unswervingly embarking on reform and opening up is not merely an economic matter but involves the issue of social stability. The principle of reform and opening will definitely not change.

The well-informed person said that while the CPC high levels were stressing the above-mentioned issues, they also reminded once again that attention should be paid to one tendency. The central authorities have constantly opposed the way of taking a hard hold with one hand and a soft hold with the other in the two aspects—"adhering to the four cardinal principles" and reform and opening up. Attention should now be urgently paid to ensuring "the soft hold has not become a completely hard one, while the hard hold has already become a soft one." We must, therefore, stress that we must take a hard hold with our two hands.

#### **Cadres in Central Organs Sent to Grass Roots**

*HK1809094790 Beijing RENMIN RIBAO in Chinese  
6 Sep 90 p 3*

[Report by Guo Yan (6753 4282): "Cadres of Central Party, State Organs Who Have Gone to Work at the Grassroots Level Are Welcomed by the Masses"]

[Text] "That the party central leadership and the State Council required cadres to go to grassroots units and keep close ties with the masses showed that leaders of the new generation with Comrade Jiang Zemin as their nucleus are open-minded in finding out the conditions in society and understanding the feelings of the public and have a realistic style of thinking." "As things go on in this way, our country is full of promise." This was what

the grassroots cadres and the masses said when commenting on the measure of the central state organs to send their cadres to grassroots units.

When assigning cadres to go down to grassroots units, leaders in the central state organs often took the lead in doing this. Organizational measures were worked out to ensure the fulfillment of this task; and explicit tasks were assigned to cadres who were sent to the grassroots units. When cadres were sent down to grassroots units in various forms in a large number, solid work results were achieved in a wide range.

**A good image of party and government cadres was established.** Wu Wenying, minister of textile industry, successively went down to five backbone textile enterprises. Wherever she went, the minister certainly went to the forefront of production to inspect the operation of the equipment and the working conditions of the workers. She talked cordially with workers, inquiring of them about the conditions of production. She also constantly had lunches and suppers together with the workers. In the evening, she called on worker families in the living quarters in spite of fatigue, and talked about their domestic trivia in order to find out the actual living conditions of the workers; or called on the night-shift workers in the workshops. The workers said: "We can feel the loving care of the party and see the bright future of the textile industry from what Minister Wu did." Comrade Zhu Gaofeng, vice minister of post and telecommunications, personally took part in the work of sorting out letters in the post offices when he inspected the work of the grassroots units. He handled 26 kilograms, or about 4,300 postal items, in two hours' work, and the quality control personnel found that he made no mistakes. So he was praised by the staff.

**Efforts were made to consolidate the stable situation and to remove the unstable factors.** The State Education Commission and many state departments which have institutions of higher education directly subordinate to them sent investigation teams and work groups to their subordinate schools to make investigations and studies and to help solve various problems there. They carried out deepgoing ideological work to solve the problems in the minds of some students and teachers, thus playing an important role in keeping stability in these schools. Comrades He Dongchang, Zhu Kaixuan, and Teng Teng, vice ministers of the State Education Commission, separately led investigation teams to more than 20 key universities, including Beijing University and Shanghai's Jiaotong University. They made investigations and studies and carried out ideological work there. In late May, Comrade Huang Yicheng, minister of energy resources, and Comrade Hu Fuguo, the vice minister, separately went to the Wuhan Institute of Water Conservancy and Hydro-Electric Power, the China Mining University, and four other colleges. They came into direct contact with students and teachers by holding forums to answer their questions. Comrade Hu Fuguo gave a speech with deep feelings to the graduates of the China Mining University, and some students were moved to tears. A student in the Survey Department, who

led an illegal organization during last year's turmoil, said: "Vice Minister Hu's speech was so sincere and plain like a father's talk with his children. I was afraid that I might be discriminated against because I committed a mistake. After listening to his speech, I felt that the party and the government in fact understood and loved us. I will certainly bear in mind the lesson I have learned from the mistake, and I am also determined to work at the grassroots level in order to repay the teacher's rescue and the party's kindness. I will never let down the party."

**They did solid work and brought benefit to the grassroots masses.** When facing the widespread shortage of funds and market slackness and knowing that many enterprises had difficulties in organizing their production, the State Planning Commission helped the grassroots units solve a great many problems they encountered in the course of fulfilling the 1990 production plans, thus winning favorable comments from all parts of the country and received many letters which expressed gratitude and praised the department's work. The Ministry of Civil Affairs also worked out effective measures on the basis of extensive investigations and studies and reiterated the state's preferential policies for the production items oriented to social welfare in order to change the unfavorable situation in arranging the employment of handicapped people as social welfare production declined in the past one to two years. Localities generally held that the formulation of policies for stabilizing social welfare production was a solid step for bringing benefit to the 50 million handicapped people in the whole country.

**The work of sending cadres to grassroots units was combined with the work of assisting the poor areas, and efforts were made to help these areas shake off poverty and get rich.** This year, the State Science and Technology Commission sent 24 cadres in six groups to the Dabie-shan area, the Yanan area, and the Jianggangshan area to reinforce the assistance to the poor areas. In early June, a meeting was held in the northern Shaanxi area to solve problems on the spot in order to introduce science and technology to the poor areas. The Ministry of Materials laid stress on establishing liaison points in supporting the poor areas inhabited by minority nationalities, and put forward the proposals for building power stations and fertilizer plants in Guizhou and western Hunan. The Ministry of Commerce joined local governments in working out some concrete measures for implementing the favorable policies for promoting trade in areas inhabited by minority nationalities.

**Deng Lique, Others Attend Book Set Debut 8 Sep**  
*OW0909025590 Beijing Domestic Service  
in Mandarin 0930 GMT 8 Sep 90*

[From the "National Hookup" program]

[Text] The China Picture-Story Book Publishing Company and the Yunnan People's Publishing Company jointly published a picture-story book set about the history of World War Two to mark the 45th anniversary

of the world's victory in the war against fascism. The book set is entitled: Pictures About the History of World War Two.

Marshal Xu Xiangqian inscribed this message for the book set: Great historical facts, lively educational material.

Wang Ping and Yang Dezhi, members of the Central Advisory Commission [CAC] Standing Committee, and CAC member Deng Lique, as well as personages from the press and the publishing and art circles, were present at the book set debut, which took place at the Great Hall of the People this morning.

They maintained that the publication of the voluminous book set of major historical facts is a new attempt in the compilation and publication of picture stories in China. They felt it is a useful means for helping readers, especially the younger generation, understand history and the great significance in safeguarding peace.

The six-volume book set, which is compiled according to the locations of the various theaters of World War Two, systematically describes World War Two's 33 campaigns, which have major historic significance.

**Wang Zhen Celebrates Railway Academy Anniversary**  
*OW1509194390 Beijing XINHUA Domestic Service  
in Chinese 1347 GMT 14 Sep 90*

[By reporter Zhang Dacheng (1728 1129 2052) and correspondent Zhan Tao (2069 3447)]

[Text] Beijing, 14 Sep (XINHUA)—The Shijiazhuang Railway Academy deserves to be called a school of higher education having produced many useful personnel. Over the last four decades, it has trained more than 25,000 "trailblazers," making exceptional contributions to China's national defense and railway construction.

With this academy ushering in its 40th year, Wang Zhen, vice president and the first commander of the former Railway Corps of the Chinese People's Liberation Army [PLA]; Li Senmao, minister of railways; and departments under the State Education Commission and Hebei provincial government have sent letters and telegrams to congratulate the railway academy and urge it to carry forward its military traditions and train more ethical, educated, and disciplined personnel with lofty ideals for the nation's railway construction.

The academy, which used to be the Engineering College of the Chinese PLA Railway Corps, trained more than 23,000 military commanders, government administrators, railway engineers, and military communications technicians over a period of more than 30 years. Since the demobilization of the Railway Corps in 1984, the college has been placed under the Ministry of Railways, and it has continued to follow the socialist course and carry forward the glorious PLA traditions. Under the motto of "being serious in studying, being brave to bring forth new ideas, being meticulous in educating

people, and being willing to accept the challenge in all parts of the country," the academy has again trained a large number of proficient personnel. After accepting the state's assignments, all the 2,000 or so students graduated from the academy in recent years have been working hard on various production fronts as very proficient railway engineers.

#### **Li Peng, Song Ping Attend Cai Chang's Cremation**

*OW1509142090 Beijing XINHUA Domestic Service in Chinese 1036 GMT 15 Sep 90*

[Text] Beijing, 15 Sep (XINHUA) — Long-tested loyal communist fighter, outstanding [passage indistinct] walked behind the hearse were Li Peng, Song Ping, Wen Jiabao, Chen Muhua, other leading comrades, families of the deceased, and working personnel.

After the hearse reached Babaoshan, the remains of Elder Sister Cai were first placed in the assembly hall of the Cemetery for Fallen Revolutionaries. Decoration in the assembly hall were very solemn; a portrait of the deceased Elder Sister Cai was hung in the center of the hall. The remains of elder sister rested in peace amid bouquets of fresh flowers and were covered by a CPC party flag. Bonsai of evergreen pine and cypress trees surrounded her remains. Comrades Li Peng, Song Ping, Wen Jiabao, and Chen Muhua bowed three times in front of the remains of Comrade Cai Chang to pay their last respects to the respected and beloved elder sister. The leading comrades also expressed sincere sympathy and solicitude to the family of Elder Sister Cai.

When she was still alive, Comrade Cai Chang indicated that her last wish was that arrangements for her funeral be made in conformity to the principle of simplicity and that no farewell ceremony or memorial meeting be held for her. Her last bidding shows the fine style, moral integrity, and breadth of vision characteristic of a veteran communist party member. It richly merits respect and praise from every comrade of the whole party and all the Chinese people.

Comrade Cai Chang devoted the energies of a lifetime to the cause of communism. Though she has gone, her splendid achievements and lofty moral character shall live in the hearts of the people forever.

#### **Officials Attend CPC Member Liu Yi's Funeral**

*OW1509002390 Beijing XINHUA Domestic Service in Chinese 1202 GMT 14 Sep 90*

[Excerpt] Beijing, 14 Sep (XINHUA)—Comrade Liu Yi, outstanding party member of the Chinese Communist Party and loyal fighter of communism, former deputy director of the State Council's General Office, and former director of State Council's Counselors' Office, died of illness at the age of 80 in Beijing on 11 August. The ceremony to pay last respects to Comrade Liu Yi's remains was held on 13 September at Babaoshan Revolutionary Cemetery. Comrades including Li Xiannian,

Yao Yilin, and units including the State Council, the State Council's General Office, the Ministry of Commerce, the Organization Department of the CPC Central Committee, and the United Front Work Department of the CPC Central Committee, sent wreaths. Wang Bingqian, Luo Gan, Ping Jiesan, Li Shizhong, Chang Jie, An Chengxin, Jiang Guanzhuang, Lin Jiamei, Gao Xiu, Li Mengfu, Wang Fulin, and other comrades attended the ceremony to pay their last respects. [passage omitted]

#### **Court-Martialled Army Chief Appeals Sentence**

*HK1509021790 Hong Kong HONGKONG STANDARD in English 15 Sep 90 p 1*

[By Cheung Po-ling in Beijing]

[Text] The former commander of the Beijing-based 38th Army, who was court-martialled and sentenced to five years for disobeying orders during last year's student unrest, has lodged an appeal against conviction.

Li Jijun was head of the Beijing-based 38th Army which was criticised for failing to clamp down on student demonstrations in late April and early May.

Many Beijing University students were attached for training to Mr. Li's command.

The soldiers, many of whom were recruited from the capital, were reluctant to use violence against the students and crowds trying to keep the army out of the capital.

Mr. Li was charged with failure to execute the Central Military Commission order to "arm the troops and send them to Beijing city" in the initial period of the student movement.

Because of his bold defiance he was replaced by another officer under whose command the 38th Group Army moved on the students and crushed the demonstrators on June 3 and 4.

Mr. Li was placed under house arrest, Chinese sources said. They said that after months of detention he had recently filed an appeal against conviction on the grounds of "improper administrative procedures".

In his submission to the General Political Department of the People's Liberation Army, he argued that he defied the order because it was not issued according to proper procedures.

#### **Central Party School Official on Party, Masses**

*HK1709132390 Beijing RENMIN RIBAO in Chinese 2 Sep 90 p 3*

["Special commentary" by Su Xing (5685 2502), vice president of the Central Party School: "Pay Special Attention to the Close Relations Between the Party and the Masses"]

[Text] Our party has many fine traditions and fine ways of doing things. One thing a communist will not forget is the good practice of maintaining close relations between the party and the masses.

The Communist Party is the vanguard of the proletariat. What do we rely on for revolutions? We only rely on the broad masses. With the support of the masses we can overcome aircraft and cannon with millet and rifles. With the support of the masses, we were able to transform the poor and backward old China into a prosperous and strong new China.

Why do the masses support the Communist Party? Because firstly the Communist Party's policies reflect their demands and interests. In those days, the Communist Party resolutely resisted the Japanese in Yanan and everywhere in China. It reduced people's rents and interests and carried out land reform. It practiced a democratic system, strengthened the troops, and simplified government administration. It developed economy, ensured commodity supply, and lessened people's burdens. It organized the people to set up cooperatives and salt-transporting teams, thus activating the urban and rural economies. It enriched literature and art, and showed the new aspects of the masses..... It can be said that whatever it does is for the interests of the masses. Naturally, it has won the masses's wholehearted support.

Since the Third Plenary Session of the 11th CPC Central Committee, the party's basic line has been in keeping with the greatest interest of the vast number of masses. Therefore, it has likewise won their support. What I cannot forget are the joyous feelings on the people's faces when I went to Fengyang County, Anhui Province in the winter of 1980 for an inspection of the system of contracted responsibilities on the household basis with remuneration linked to output. An old lady prepared a basket of peanuts and insisted that we, as guests from Beijing, try them. The comrades accompanying me on the trip told me: "In the past whenever one went into a village, he would be followed by people begging for food and money. Now peasants have food in their hands, and support the party's policies, and that is why the lady served you peanuts." This shows that the party's rural policies are in keeping with the masses' demands. For the agricultural cooperation of the 1950's, the interests of the masses had been taken into account. At that time, the masses hit gongs and drums in their celebrations. However, the practice that "everybody eats from the same big pot" has indeed depleted the masses' initiative. In view of this, we have come to know that in deciding on tasks and policies we must not begin with subjective expectations, but should consider whether they reflect the masses' demands and whether they conform with their interests. Whatever reflects their demands and conforms with their interests should be done consistently. Whatever does not reflect their demands and does not conform to their interests should not be done. When the party makes a mistake and then corrects it, it will win the masses' support.

In Yanan, Comrade Mao Zedong summed up our party's 20 years of experiences, and formed the party's mass line, namely: Of all our party's practical jobs, those with correct leadership must come from the masses and go to them. In other words, the masses' opinions (scattered and unsystematic opinions) are collected (converted into collective and systematic opinions through study). They are then propagated and explained among the masses, become their opinions so that they stick to them, put them into practice, and test their correctness through their actions. Then they are collected again from the masses, and are re-introduced to the masses for them to continue to stick to. This infinite cycle will enable them to be more correct, more lively, and richer. This outline is sparkling with the radiance of materialist dialectics and is a scientific leadership method ensuring the obtaining of achievements in all jobs. We made mistakes in our jobs because we did not, most probably, conscientiously follow the mass line, and because some of our comrades did not go among the masses, did not listen to their heartfelt words, and even did not like to listen to it and did not allow the masses to finish their words.

If the party maintains close ties with the masses and does not separate itself from them for a minute, our undertakings will always be successful. In 1947, Hu Zong-nan headed 230,000 Kuomintang party (KMT) soldiers for an attack on Yanan. At that time, the People's Liberation Army (PLA) only had approximately 20,000 soldiers. Although they outnumbered us, the PLA fought battles with them as far as northern Shaanxi from Yanan, led the enemy troops by the nose, and finished them bit by bit. We finally routed them. On several occasions, Comrade Mao Zedong and the central organ were only about 10 to 20 li away from the enemy troops. But they did not know that at all. We were able to escape from them and got out of the danger under the masses' screening. The masses are in fact the impregnable fortress.

We cannot separate ourselves from the masses in the revolutions, neither can we in building up socialism. After the proletariat obtained state power, our party became the ruling party. Since then, it has paid particular attention to its close relations with the masses. Since the party began to rule, it has had more and better conditions to serve the people. However, it has also brought the danger of separating itself from the masses. In recent years, some bad practices and phenomena such as bureaucracy, subjectivism, formalism, and individualism have really grown in some party members and cadres. Some of them have used their power to seek personal gain. Some of these practices are rather serious. The masses hate them intensely. The decision of the Sixth Plenary Session of the 13th CPC Central Committee advances that whether or not we will be able to maintain and develop the flesh and blood relations with the masses will directly affect the party and the state's prosperity, decline, rise and fall. This is a question which every communist must consider conscientiously.

**State Council Economic Plan To Help Poor Areas**  
*HK1509021990 Hong Kong HONGKONG STANDARD*  
*in English 15 Sep 90 p 8*

[By Fan Cheuk-wan]

[Text] The State Council has moved to boost economic conditions in China's western areas.

It decided to adopt progressive economic reforms in the less developed western part for the Eighth Five-Year Plan (1991 to 1995).

Informed sources in Beijing said economic planners had proposed a stock-share system, price reforms and preferential policies for foreign investors as a major strategy to stimulate the region's industrial growth in the coming five years.

"The economic planners have suggested the enterprise reform should be the key to economic structural readjustment in western China," one source said.

"The economic experts said the stock-share system would be helpful to put new life into state-owned enterprises in the region—that are mainly strategic industries such as the national defence industry, aviation industry and other heavy machine-building industries."

Experiments with the stock-share system is being experimented in major cities along the eastern coast and is more developed in the Shenzhen Special Economic Zone and Shanghai.

But sources in Beijing said the central government had decided to extend the system to the western part of the country despite its lower economic level.

"In order to strive for a more balanced economic development in the country, central authorities have decided to experiment with the stock-share system in the west despite the limited development of a commodity economy," the source said.

Economist, Jiang Yiwei, yesterday told the HONGKONG STANDARD the implementation of stock-share system in the western region would help enliven state-owned enterprises which had suffered from low economic efficiency and shortage of capital.

"Economic efficiency of the large and middle-size state-owned enterprises in the region will be substantially raised if they join together to form corporations, which will come under the collective control of the board of directors and shareholders," he said.

"Large-scale corporations, which will unite a large number of state enterprises under the stock-share system, will be able to better allocate resources and have stronger economic strength," he said.

"The western part of China is poorer and backward. The region does not have sufficient funds to boost the development of its existing heavy industries and exploration of its natural resources.

"The corporations can be formed by enterprises coming from other provinces," he said.

Professor Jiang said the establishment of large-scale corporation would help the poorer region to raise funds from the better-developed parts of the country to invest in its industrial development.

Limited capital in the region ruled out establishment of a sharemarket.

"Through the implementation of the stock-share system in the region, local companies from various parts of the country will be attracted to go to western China to form corporations to invest in strategic industries," he said.

Implementation of the stock-share system would not change the ownership of the state-owned enterprises in the region.

"At the present moment, the corporations are expected to be formed by state-owned enterprises from different provinces," he said.

However, Prof. Jiang said implementation of stock-share system faced considerable difficulty due to the limited development of a commodity economy in the area.

Sources said the central government was also planning to increase prices of a number of strategic natural resources supplied by western China.

"Prices of the heavy industrial products manufactured in western China will be adjusted to be closer to market prices," the source said.

"Through this price reform, enterprises from other parts of the country will be more motivated to invest in the heavy industries in the west, taking the higher profitability into account."

The local pro-Beijing WEN WEI PO yesterday reported that the State Council recently held a Beijing working conference to map out a strategy for developing the western region.

**Beijing Holds Seminar on Deng Xiaoping's Works**  
*HK1809080190 Beijing RENMIN RIBAO in Chinese*  
*6 Sep 90 p 1*

[Dispatch by reporter Lu Jichuang (4151 4949 0278): "Seminar on Works of Deng Xiaoping Held in Beijing"]

[Text] The Chinese Academy of Management Science recently held in Beijing an academic seminar on Comrade Deng Xiaoping's works, and more than 50 experts and scholars from the research institutions concerned under the CPC Central Committee attended the seminar and delivered 20 papers there. Wang Heshou, member of

the Standing Committee of the Central Advisory Commission, and Chen Yeping, Han Tianshi, and Cui Yueli, members of the Central Advisory Commission, as well as the leading comrades of the departments concerned also attended the meeting.

At the seminar, the experts and scholars mainly discussed Comrade Deng Xiaoping's theory concerning party construction.

They emphatically pointed out that since the Third Plenary Session of the 11th CPC Central Committee, in view of the new situation of reform and opening up and our party's current conditions, Comrade Deng Xiaoping had given profound exposition on the issue of party construction, and his theses had included rich contents and carried forward and developed Mao Zedong's theory on party construction. So they are the valuable spiritual wealth of the CPC and the Chinese people. The experts and scholars also held that in the new period of historical development, the whole party seriously studying and mastering Comrade Deng Xiaoping's theory about party construction is of great significance for strengthening party construction, strengthening and improving the party's leadership, implementing the party's basic line, and ensuring the successful development of the socialist modernization cause under the party's leadership.

#### Meeting Urges Officials To Study Socialist Theory

OW1409224290 Beijing XINHUA in English  
1451 GMT 14 Sep 90

[Text] Shijiazhuang, September 14 (XINHUA)—Chinese officials, particularly those above the county level, were urged today to study the Marxist theory of socialism.

Addressing a national meeting on theoretical education for officials, which ended here Thursday, Wang Renzhi, head of the Propaganda Department of the Chinese Communist Party Central Committee, called on officials to study socialist theory by closely linking the reality of their localities and ideological problems among officials and the masses and problems arising in the building of socialism with Chinese characteristics.

Nie Dajiang, deputy head of the Propaganda Department, made a report at the meeting in which he said that education in Marxist theory for officials is strategically important because the officials' theoretical level will determine whether they can correctly size up a situation and maintain a firm and correct political orientation in face of complicated struggles. This will have a direct bearing on the success or failure of the country's socialist modernization drive and the future destiny of the party and the country, he pointed out.

He said the study of Marxist theory should focus on the theory of socialism because socialism is facing a new challenge in China and throughout the world, though it is a major trend of historical development independent of

man's will that socialism will replace capitalism. In addition, confusion about socialism among officials and the masses needs to be dispelled by scientific explanations.

In the report, Nie also urged officials to combine the study of the Marxist theory of socialism with the study of Marxist philosophy.

The meeting was sponsored by the Propaganda Department and presided over by Wang Renzhi.

#### Democratic Party Holds Meeting in Shandong 13 Sep

SK1509234890 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 13 Sep 90

[Text] The seventh plenary meeting of the Standing Committee of the Fifth Central Committee of China Democratic National Construction Association opened in Jinan on the morning of 13 September. Sun Qimeng, chairman of the Central Committee of China Democratic National Construction Association, chaired that morning's plenary session. Song Kun, deputy director of the United Front Work Department of the CPC Central Committee, attended to extend congratulations and also delivered a speech.

The participants heard a work report of the Executive Bureau of the Central Committee of China Democratic National Construction Association given by Wan Guoquan, vice chairman of the Central Committee of China Democratic National Construction Association.

Major goals of the meeting are to study and implement the CPC Central Committee's opinions on persisting in and improving the system of multiparty cooperation and political consultation under the CPC leadership and the guidelines of the national united front work conference and the national conference on the work of democratic parties, to discuss and approve the opinions of the Central Committee of China Democratic National Construction Association on successfully carrying out the several major tasks in the near future, to discuss and approve the resolution on the work report of the Executive Bureau of the Central Committee of China Democratic National Construction Association, to discuss and approve the decision on convocation of the third plenary session of the Fifth Central Committee of China Democratic National Construction Association, and to discuss and approve personnel appointments and removals. The meeting will be held for five days.

Attending that morning's plenary session were Tang Yuanbing, Chen Suiheng, Feng Tiyun, and Bai Dahua, vice chairmen of the Central Committee of China Democratic National Construction Association. Zhou Zhenxing, director of the United Front Work Department of the Shandong Provincial CPC Committee, was invited to attend the meeting.

On the afternoon of 11 September, Jiang Chunyun, secretary of the Shandong Provincial CPC Committee, Ma Zhongchen, deputy secretary of the provincial CPC

committee, Zhao Zhihao, deputy secretary of the provincial CPC committee and provincial governor, Li Zichao, chairman of the provincial committee of the Chinese People's Political Consultative Conference, and Zhou Zhenxing, director of the united front work department of the provincial party committee, visited the participants at the hotel.

### Henan Hosts Conference on Court Trial Work

HK1409092690 Zhengzhou Henan Provincial Service  
in Mandarin 2200 GMT 13 Sep 90

[Text] The National Conference on Court Administrative Trial Work began in Zhengzhou yesterday.

Ren Jianxin, president of the Supreme People's Court, stressed at the conference that leaders at all levels and administrative trial personnel in people's courts should strengthen confidence, emancipate their minds, brace up, boldly and actively carry out administrative trial work, and work hard to accomplish the glorious and arduous task given to people's courts by the Administrative Procedural Law.

The main tasks of this conference are: To summarize and exchange administrative trial work experiences over the past few years and to make arrangements for people's courts to implement and carry out the Administrative Procedural Law.

Yesterday's meeting was presided over by Ma Yuan, vice president of the Supreme People's Court.

Leading comrades of the Henan Provincial Party Committee, People's Congress, people's government, and CPPCC [Chinese People's Political Consultative Conference] Committee, including (Hu Jituan), Zhang Zhigang, Ji Hanxing, Yu Youxian, (Li Rentian), and others, attended the meeting.

Zheng Zengmao, president of the provincial higher people's court, also attended the meeting.

In his speech, President Ren Jianxin pointed out that formulating and implementing the Administrative Procedural Law is an important move aimed at building socialist democracy and the legal system in our country; an important measure aimed at pushing ahead with improvement, rectification, reform, opening up to the outside world, and safeguarding social stability; and an important way of further standardizing and systematizing administrative trial work. As far as the current realities in our country are concerned, regarding the implementation of the Administrative Procedural Law, problems such as updating concepts, being unaccustomed or being unadaptable to the law, and so on, still exist. Some difficulties and obstructions indeed exist in administrative trial. However, there are still many favorable conditions for implementing the Administrative Procedural Law. The current difficulties and obstructions can be gradually overcome.

Ren Jianxin stressed that people's courts at all levels should further clearly define guiding ideology, and, in implementing and carrying out the Administrative Procedural Law, must comprehensively comprehend the spirit and essence of the Administrative Procedural Law, correctly handle the relationship between protecting the legitimate rights of citizens, legal persons, and administrative organizations on the one hand and safeguarding and supervising the exercise of administrative power by administrative organs in accordance with the law on the other, resolutely and strictly enforce the law, and [words indistinct]. In order to practically guarantee the implementation and carrying out of the Administrative Procedural Law, it is necessary to further establish and perfect administrative trial institutions which should be equipped with an intelligent and capable contingent, continue to strengthen the training of administrative trial cadres, greatly strengthen propaganda work, investigations, and research, and strengthen trial supervision and professional guidance.

The provincial conference on court administrative trial work is simultaneously being held in Zhengzhou.

### Article Predicts Socialism Replacing Capitalism

OW1709120890 Nanjing XINHUA RIBAO in Chinese  
3 Sep 90 p 3

[Article by Wang Xikui (3076 6932 1145): "The Replacement of Socialism by Capitalism Is Historically Inevitable"]

[Text] The coexistence of socialism and capitalism is the basic content of the contemporary world setup. How will socialism develop and what are the world's prospects under the structure of the coexistence of the two systems?

These are the questions that puzzle some people. To correctly understand these questions, we must use dialectics to analyze contradictions in the contemporary world, particularly those between capitalist and socialist societies. This is just as Engels said: In accurately portraying the development of human society, "we can do so only by constantly paying attention to the universal interplay between emergence and disappearance and between the changes in advancing and the changes in retreating."

### The Formation of the Setup of the Coexistence of the Two Systems Is Also the Inevitable Result of the Movement of Modern Society's Basic Contradiction

After the victory of the October Revolution, Lenin optimistically predicted: In the 20th century soviet socialist republics will appear everywhere in the world. We should understand that the emergence and development of the socialist system amid crises and turbulences have proved the scientific nature of Marxist theory on the basic contradictions of the capitalist society and the scientific nature of the conclusion that socialism will inevitably replace capitalism. They have also proved the

scientific nature of Lenin's theory on imperialism and his thesis that the era of "imperialism and socialist revolution" has arrived. However, drastic changes in history have not led to the destruction of the capitalist system and the victory of the socialist system throughout the world within a short period as was imagined by people. Instead, after some twists and turns, relative stability in long-term coexistence of the two systems has been formed.

Why was such a setup formed?

First, the development of society is a natural process of history. No matter which social forms they are, they will never die out until all productive forces involved have been brought into full play. From the end of the 19th century to the first half of the 20th century, the big crisis and turbulences in the capitalist world failed to cause the total collapse of capitalism. On the contrary, they formed a new regulatory mechanism amid violent struggle against contradictions. Before and after World War II, capitalist relations of production markedly changed: (1) Capital rapidly accumulated and was put together, completing the transition from free capitalism to monopoly capitalism and engendering state monopoly capitalism on this basis; (2) along with changes in the balance of class forces and the extensive implementation of social welfare policy, workers' participation also became a component of enterprise and social management; (3) along with the formation of state monopoly capitalism and supported by monopoly capital, a centralized system on the basis of bourgeois parliamentary democracy was improved and strengthened; (4) the formation and development of the international monopoly league; (5) new colonialism was used to replace old colonialism. New changes in production relations promoted progress in production and in science and technology. The new revolution in science and technology in turn triggered the readjustment of capitalist relations of production. Fundamentally speaking, its complete maturity is precisely the beginning of its plummeting from the peak. However, this will be a long process. In the current stage, capitalism is still at its peak, using its powerful strength to contend with the newly emerging socialism.

Next, socialist revolution actually occurred in countries where capitalism was not developed, but not in developed capitalist countries. Such a peculiarity of contradiction has created a big gap between actual socialism and socialism as conceived by Marx. As soon as actual socialism emerged, it was confronted with a huge, mature, modern capitalism. Because of underdeveloped productive forces, actual socialism is in an economically and technologically disadvantageous position in its confrontation with capitalism. For this reason, it must strive to develop and strengthen itself, so as to create the necessary conditions for catching up with and surpassing developed capitalism in the near future.

Third, since winning national independence, most developing countries have embarked on a road of capitalist

development. Fundamentally speaking, national liberation movements in various countries have caused the bankruptcy of old colonialism. In a global sense, the development of national liberation movements was only one aspect of the overall crisis of the capitalist system. The temporary solution of the contradiction by means of neocolonialism can be viewed as just a self-adjustment of the capitalist system. For this reason, the victories of developing countries on the one hand should be regarded as a heavy blow to imperialism and colonialism. On the other hand, the victories of developing countries have also paved a way for the development of national capitalism and impeded the global development of socialism.

### **Coexistence of Two Systems Is a Form of Transition From Capitalism to Socialism in the Today's World**

Because of community-oriented production and export-oriented production, economic and cultural exchanges and contacts between countries of different social systems are becoming more and more frequent. Through the exchanges and contacts, developed capitalist countries obtain raw materials and market, while socialist countries get capital funds, technology and advanced management experience. In other words, in the modern society of community-oriented production and export-oriented production, a relationship of mutual dependence objectively exists between countries of different social systems. At the same time, however, contradictions and struggles always exist between socialist countries and capitalist countries. The contradictions and struggles are manifested politically by struggles between those who perpetrate aggression, subversion or "peaceful evolution" and those who oppose aggression, subversion or "peaceful evolution." They are also manifested by trials of economic strength. Under the situation of coexistence of the two systems, the struggle between those who perpetrate "peaceful evolution" and those who oppose it is a major struggle between capitalism and socialism, while the trial of economic strength is also an major battlefield closely related to the struggle. Western nations are attempting to take advantage of their economic superiority not only to promote "peaceful evolution" but also to crush socialism. Therefore, socialist countries should wage a tit-for-tat struggle against peaceful evolution, and at the same time, they should also concentrate on developing productive forces and make themselves economically strong as soon as possible.

A structure of the two systems interrelated with and struggling against each other is the basic characteristic of their coexistence. Socialism and capitalism are two diametrically opposed social systems. That capitalist countries seek to establish exchanges and contacts with the socialist countries is due to the fact that they want to develop and put themselves in an unassailable position and to realize their dream of a bourgeois "kingdom for millennium." The socialist system is a historical choice made to counter the maladies of capitalism. Socialist countries want to develop economic and cultural relations with capitalist countries because they want to catch up with and surpass the developed capitalist countries and ultimately replace capitalism with socialism in the

whole world. Therefore, we can see that the contradictions between the two social systems are basically irreconcilable, and that the coexistence of the two systems is merely a transitional formation in the development of modern history. Lenin pointed out: We live in an era of imperialism and proletarian socialist revolution. His judgment is not yet outdated. The world today is in a specific stage of this era, a stage of the two systems locked in a struggle against each other. This stage will definitely transit to a new stage and effect the replacement of the social system with a new one.

### **The Future of the World Can Only Be Socialism, Not Capitalism**

Western capitalism is still at its peak with relative stability and prosperity achieved in its economic development. However, the trend of development of a society is determined not by its capability to achieve economic prosperity, but by the inherent nature of contradictions within society. The prosperity of modern capitalism reflects that crises and contradictions, which are deeply rooted in its society, are continuously piling up.

First, the capitalist production relations, which are more socialized [than socialist production relations], can control and alleviate the existing contradictions within a certain scope. However, as private ownership constitutes an insurmountable obstacle to socialized production, a society that protects private ownership will sooner or later encounter a destructive explosion of economic crises. Once the development of a large-scale socialized production reaches the limit that private ownership can accommodate a socialist reform of production relations is inevitable.

Second, improved working and living conditions of laborers in the advanced capitalist countries have temporarily relaxed the class struggle in capitalist society. However, the nature of capitalists pursuing exorbitant profit will never change and their exploitation of the working class has doubled and redoubled. In the United States, the surplus value rate of the manufacturing industry increased from 146 percent in 1947 to 263 percent in 1975, and the surplus value rate of the electronics and other newly emerging industries was as high as 500 percent. In the United States today, the super rich constitute 0.2 percent of the population and possess 60 percent of the corporate assets in the country. The "fifth grade," who constitute between 20 to 25 percent of the population, possess only 0.2 percent of the wealth of society. It should be pointed out that under private ownership, the maturity of capitalist system has, on the one hand, enabled the system to fully utilize its energy and turn out an unprecedented level of productivity. On the other hand, however, the mature capitalist system has escalated its exploitative nature to the extreme and accumulated social inequalities at a rapid pace never seen in history.

Third, although neocolonialism opened up a road for developing countries to promote the development of

national capitalism, most of them have been unable to achieve an economic take-off through developing national capitalism. Most developing countries remain poverty stricken, and their economic growth is slower than that of the majority of socialist countries. As many as 1.2 billion people live in hunger and abject poverty. At the present, 80 percent of the world's wealth are centralized in the developed countries, which compose 16.2 percent of the global population. They rely on their economic superiority to control the developing countries' economic lifelines through capital exportation. It is possible for a few developing countries, which can meet political and economic demands of the international capital, to achieve economic prosperity. However, under the global capitalist system, it is impossible for the majority of developing countries to get rid of exploitation and plundering.

Fourth, the formation of an alliance of international monopoly capital instilled better international coordinating mechanisms into modern capitalism. Nevertheless, the law governing imbalanced political and economic development in capitalist countries continued to produce effects. The changes in the position of strength of the United States, Japan, West Germany, and the European Community testify to this point. The contradictions between them will aggravate someday and be transformed into a total conflict of the capital world.

It is an objective fact that inherent contradictions of capitalism exist and accumulate. The only alternate for capitalist countries to solve the contradictions is to socialize the means and managerial forms of production. In the long run, the development of socialization will inevitably demand the removal of the obstacle of private ownership and will lead to the road of socialism. It is precisely in this light that Lenin said: "State monopoly capitalism is the best material preparation for and an entrance to socialism."

### **Reportage on 'Knowledge About China' Series**

#### **Multiparty Cooperation Viewed**

OW1609082590 Beijing XINHUA in English  
0711 GMT 16 Sep 90

["This is the 118th in the series of 'Knowledge About China,' which began April 16"—XINHUA editor's note]

[Text] Beijing, September 16 (XINHUA)—The multiparty cooperation system practised in China is a kind of cooperation between the Communist Party of China (CPC) and the eight democratic parties under CPC leadership.

The cooperation system has following characteristics:

—the CPC is in a leading position while the eight democratic parties recognize and accept the CPC's leadership;

- the democratic parties and the CPC share a common political platform based on the general tasks set for different historical periods and work together for the country's socialist cause;
- the democratic parties join the CPC in the management of state affairs as well as consultations and decision-making on important issues of the state;
- both the CPC and the democratic parties are recognized and protected by the country's Constitution, organize activities within the limit of the Constitution, and practise mutual supervision in line with the Constitution.

The Chinese People's Political Consultative Conference (CPPCC) is a principal form of the CPC-led multiparty cooperation.

The CPC and the democratic parties are politically equal. The CPC is the leading force for the Chinese people and in organs of state power. The democratic parties are organizationally independent.

The CPC fully respects the democratic parties' political freedom and organizational independence within the framework of the national constitution and their legally equal status. The democratic parties make decisions on their own and the CPC never interferes in their internal affairs.

The basic principles for the multiparty cooperation are "long-term cooperation, mutual supervision, treating each other with all sincerity and sharing weal and woe."

#### Public Security Organs Featured

OW1709104990 Beijing XINHUA in English  
0848 GMT 17 Sep 90

[119th in the series "Knowledge About China" which began 16 April]

[Text] Beijing, September 17 (XINHUA)—China's public security organs are special departments set to safeguard social security and crack down on crime.

The main tasks that public security organs in China perform include:

- administration of security, household registration, highway traffic, fire control, immigration and frontier defense, and the protection of state economic construction;
- prevention of all acts sabotaging the socialist system in China;
- banning of prostitution, drug addiction, gambling and pornography;
- maintaining social order, protecting state property and citizens' lawful rights, and safeguarding the power of the people's democratic dictatorship and the socialist system, and ensuring the smooth progress of the construction of socialist modernization.

Interpol, which China joined in 1984, is one of the main channels through which China's public security departments co-operate with police in other countries.

China has over 200 police training schools, including three universities.

#### Role of Procuratorates Noted

OW1709124190 Beijing XINHUA in English  
0925 GMT 17 Sep 90

[120th in the series "Knowledge About China" which began 16 April]

[Text] Beijing, September 17 (XINHUA)—China's procuratorates are state departments supervising the implementation of laws.

China has a Supreme People's Procuratorate, local people's procuratorates at various levels, military procuratorates and other special procuratorates.

Local procuratorates and special procuratorates function under the leadership of the Supreme People's Procuratorate.

The main responsibilities of the procuratorates include:

- Exercising supervision over cases of treason or splitting the state and major cases of violation of laws, policies and administrative regulations;
- Investigating criminal cases handled by procuratorates;
- Examining cases investigated by public security departments;
- Instituting criminal proceedings and supervising court trials;
- Supervising court decisions in criminal cases and the implementation of judgments, as well as the activities at reform-through-labor centers, prisons and lockups for prisoners awaiting trial.

The procuratorates independently exercise their supervisory powers according to the laws and no interference from any administrative or social groups or individuals is allowed.

The procuratorates insist on the principle that all citizens are equal before the law and no special privileges should be extended to any citizen.

#### Ba Jin Donates Cash Award to Cultural Groups

OW1709123790 Beijing XINHUA in English  
1042 GMT 17 Sep 90

[Text] Shanghai, September 17 (XINHUA)—Ba Jin, a leading Chinese writer, recently donated a cash award of five million Japanese yen to the Chinese Contemporary Art and Literature Museum and the Shanghai Arts and Literature Development Foundation.

Ba Jin, former chairman of the Chinese Writers Association, was the winner of Japan's First Fukuoka Special Asian Culture Prize recently.

However, because of the 86-year-old writer's poor health, his son, Li Xiaotang, accepted the prize on his behalf.

Ba Jin's most famous work, the trilogy titled, "Family", "Spring", and "Autumn" has been translated into many foreign languages.

Ba Jin has won many international prizes over the years, including Italy's 1982 International Dante Prize.

### No Sign of Sales Boom Present at Shanghai Fair

OW1009210390 Beijing XINHUA Domestic Service  
in Chinese 0137 GMT 8 Sep 90

[Article by RENMIN RIBAO reporter Ban Mingli (3803 2494 7787) and XINHUA reporter Chen Yun: "Market Situation as Shown by the Large Gathering of Businessmen—Message From the 1990 Shanghai Commodity Fair"]

[Text] Shanghai, 8 Sep (XINHUA)—Although commodity blockade [shang pin peng suo 0794 0756 1409 6956] is quite common, a large number of businessmen came to Shanghai in late August to order reputed consumer goods made in Shanghai; with the goods, they hoped to enliven their hometown markets.

Two or three months ago, meetings to take wholesale orders for the second half of the year were held by the nation's seven major commodity trades, including general merchandise and knitting goods. Shanghai has already filled wholesale orders for consumer goods worth 2.7 billion yuan, showing a 24.5-percent increase over orders from an earlier meeting. The recent eight-day 1990 Shanghai Commodity Fair was held to accept additional orders. Nearly 10,000 wholesale and retail businessmen from all parts of the country attended the fair and placed orders exceeding 1.3 billion yuan.

During the fair, a businessman from Lhasa, Tibet, carrying 500,000 yuan in cash, sought to buy thin woolen sweaters, children's garments, and cosmetics. He asked the Shanghai Hualian Company to deliver the goods immediately, suggesting that the goods were needed urgently to meet the demand of the Tibet market. Most orders placed by the various localities were for famous-brand and superior quality goods, such as famous-brand detergent, woolen fabrics, Shangling refrigerators, Jinxing color television sets, and Fenghuang bicycles. Supplies of some of the products for the second half of the year have already been sold out. The departments concerned under the Shanghai Municipal Government have energetically supported the wholesale distributors and allowed them to sell the 1991 first quarter supplies now. There are indications that market sales are gradually picking up after more than a year of weak sales.

According to statistics compiled by the Ministry of Commerce, although the total volume of retail sales in the first half of this year was slightly smaller than that of last year's corresponding period, the decrease had gradually become smaller since March, and the sales in June showed positive growth for the first time. The July sales were even better than the June sales. This shows that although the market has difficulties, it also has potential.

The businessmen from various parts of China shared the view that the retail market was better than the wholesale market. During the recent fair, reporters visited Shanghai's major business areas—Nanjing Road and Huaihai Road—and did not see any sign of weak sales in most stores. Some summer goods were on sale, attracting many shoppers. To the people's surprise, high-grade, expensive garments and shoes were selling very well. Consumers at various levels were wisely choosing what they wanted, and Shanghai's "LAO SHANGYE" [Old Commerce] described the situation as a sign that the market was becoming normal day by day. The sales of 35 large department stores in China rose 19.2 percent in May, 34.5 percent in June and 21.7 percent in July this year, as compared with last year's corresponding months.

According experts analyses, the pickup in market sales was still slow because of weak demand, slow pace in readjusting product mix, clogged commodity circulation channels, and poor enterprise management. In the first half of this year, both the retail sales in the private sector and the sales of state-owned commerce and supply and marketing cooperatives were in negative growth, and the sales of most industrial products used daily decreased, as compared with last year's corresponding period. Therefore, the overall situation showed that the weakness in product mix had not yet disappeared from the market.

What will the market situation be in the second half of the year? Many businessmen believe that it will become better. The Asian Games and several traditional festivals might bring about a market sales increase in the second half, particularly in the fourth quarter. Measures adopted by the state, some of which are flexible, are expected to promote consumption. However, large sales increases are not anticipated, and a sales boom is not likely. More efforts are needed to invigorate the market.

During the recent commodity fair, businessmen placed orders very prudently. Most of the orders were for small quantities of various spot goods, and 95 percent of the contracts signed required shipment before the end of the year. Some businessmen were not sure of the market trend, and most wanted to get information, through Shanghai, about China's market. During the fair, the situation of supply and demand in general merchandise, stationery, knitting goods, shoes and hats, hardware, and electric appliances did not remarkably improve. Some of them, though marked down as "bargain prices" or even "great bargain prices," still attracted very few buyers. As

of the end of July, the Shanghai First Bureau of Commerce was overstocked with goods worth 2.9 billion yuan, a 17.53 percent increase over stocks at the beginning of the year.

Some businessmen believe that a sales boom is unlikely in the second half of the year. One of the major reasons for their prediction is that the current pace of readjusting product mix is too slow. There is an urgent need for best-selling goods and new products to promote market invigoration.

Shanghai's industrial department provided the fair with a number of marketable goods, of which glistening-color sweaters and pants, satin towels, and new design thin wristwatches were more attractive to buyers. On display in the five exhibition rooms were a great variety of commodities. However, if one looked carefully, he would find that most of the exhibits were "old products" and there were very few attractive new products, hardly showing any changes in the product mix. Someone reminded us that it was not a new products fair and many of Shanghai's new products were not on display there. However, many buyers came to the fair in search of marketable goods, and they wanted to invigorate their hometown market with Shanghai products.

Fang Mingshan, director of Shanghai Municipality's First Bureau of Commerce, analyzed the causes of the slow pace in the readjustment of the product mix. In his view, one of the causes is that some productive enterprises are not enthusiastic about readjusting the product mix, and many of their products that need upgrading have not yet been placed on their agenda. For instance, Shanghai's Haiou brand DF cameras, Fenghuang brand bicycles and Feiren brand sewing machines were best selling products for several decades. Now the market suddenly has become bearish, but it is difficult for their producers to switch to producing new products. The second cause is that China's Patent Law is not adequate to prevent piracy, and industrial enterprises dare not introduce their new products hastily. The third cause is that a protective commodity policy is impeding the readjustment of the product mix. Some local governments have instructed the commerce department to appropriate a large amount of funds for buying overstocked products. However, some enterprises continued to produce a large quantity of the overstocked products as soon as the commerce department bought them. The fourth cause is that some enterprises hesitate to take the risk in producing new products because of capital fund and price factors. Some enterprises under Shanghai's First Bureau of Commerce have incurred losses in developing small electric appliances and small consumer goods, and have been compelled to reduce their business scope. For this reason, to accelerate the readjustment of the product mix involves industrial and commercial enterprises and various government departments. It requires correct policies and funds. It can not be done with just an ordinary call. All departments and enterprises concerned should make concerted efforts to accelerate the development of new products.

The recent commodity fair did not exhibit many best selling products or new products, but it took more orders than expected. This fact shows that the policy decision of the commerce department is also very important. We should widen further the marketing channel, pay attention to commodity redistribution according to need, and promote sales by giving discounts, making a rational price readjustment, and improving service. According to the Guangxi Department Store and other clients, with an overstock of goods and marketing difficulties, most of the enterprises struggling to sell overstocked goods have incurred losses. Meanwhile, enterprises that make market analyses with respect to their stock and manage to buy some marketable goods to bring along the sale of less marketable goods in stock have earned profits. This fact shows that the acceleration of market invigoration requires the initiative of both state-run wholesale commerce and retail commerce.

### **Central Plain Culture Exhibition Opens in Beijing**

OW1809130190 Beijing XINHUA in English  
1104 GMT 18 Sep 90

[Text] Beijing, September 18 (XINHUA)—A 10-day exhibition of culture and arts of China's Central Plain opened at the Capital Museum here today.

On display are paintings, calligraphy, ancient and modern porcelain, tri-colored glazed pottery, Chinese inkstones, embroidery, and jade carvings.

The Central Plain was the cradle of Chinese civilization, and, over the centuries, produced many thinkers, politicians, poets, painters, calligraphers, and musicians.

The exhibition is sponsored by the Foreign Cultural Exchange Association of Henan Province and the International Cultural Company of the Central Plain.

### **Power Producers Urged To Improve Efficiency**

OW1709164390 Beijing XINHUA in English  
1617 GMT 17 Sep 90

[Text] Beijing, September 17 (XINHUA)—Chinese Premier Li Peng said today that China's power production enterprises should improve economic efficiency and save energy to contribute more to socialist modernization construction. The premier made the remark at a ceremony for the completion of the Shijingshan Heat and Power Plant in west Beijing.

Li pointed out that China plans to quadruple its gross national product by the end of this century, requiring the construction of more power plants. According to Li, "We should improve economic efficiency and save energy so more heat and power plants can be built."

Li said the Shijingshan power plant has a good tradition of self-reliance and hard struggle, has applied scientific management and has paid attention to work safety.

He urged the plant workers to continue to cherish these good traditions.

The Shijingshan power plant was built in 1919 and was the largest power producer in Beijing before New China was founded in 1949.

In 1983, the decision was made to transform the plant into a heat and power plant with three 200,000-kw generating units.

After the ribbon-cutting ceremony, Premier Li visited the control room and workshop of the No. 3 power generating unit inquiring about the plant's production and workers welfare. The premier urged the workers to continue to run the plant well.

### Archive Network Supports Modernization

OW1709105290 Beijing XINHUA in English  
0852 GMT 17 Sep 90

[Text] Beijing, September 17 (XINHUA)—A complete nationwide system of archives has been set up to support China's modernization efforts.

Altogether, there are 3,460 administrative organs for dossiers and 3,500 archives of different kinds, in which 150 million files are preserved.

According to statistics from the State Archives Bureau, 30 million people have consulted 120 million dossiers in the past few years.

The archives play an important role in the social and economic life of the country. A survey of ten cities shows that 3.8 million yuan has been gained in construction savings alone in those cities with the help of the archives.

An investigation by the Liaoning provincial government of its 340 big and medium-size enterprises shows that the archives have helped the province save 300 million yuan since 1988.

## Science & Technology

### Field Laboratories Set Up To Solve Problems

OW1709175490 Beijing XINHUA in English  
1639 GMT 17 Sep 90

[Text] Beijing, September 17 (XINHUA)—The Chinese Academy of Sciences (CAS) has set up 100 research stations and field laboratories around the country as a major effort to solve the global problems such as the deterioration of ecological environment and over-consumption of resources.

According to an official from CAS, as many as 1,400 Chinese earth scientists, biologists and astronomers are working permanently in 54 monitoring and observing outposts located in the remote and sparsely-populated

lands of Qinghai-Tibetan Plateau, the grassland of Inner Mongolia, the Taklamakan Desert, and the tropical islands in South China Sea.

"The research stations have provided a site understanding of the phenomena and processes of changes of renewable natural resources and eco-environment," said Professor Sun Honglie, vice-president of CAS.

Ever since its founding in 1949, the academy has set up nearly 100 observation and experiment stations at various natural zones, covering important natural, semi-natural and artificial ecosystems all over the country. "The stations have not only greatly contributed to understanding natural phenomena, but have also served as demonstration models for rational management and utilization of natural resources and development of productivity," Professor Sun noted.

For example, over the past 30 years, researchers of the Shapotou Desert Research Station have created a man-made oasis in a dry desert land of moving dunes in Tengger Desert northwest of China. The station has today become an international training center of the United Nations and the Third World Academy.

The Haibei Research Station of High-Cold Meadow Ecosystem, which is located 3,500 meters above sea level in the heartland of Qinghai-Tibetan plateau, is the world's highest cold meadow and cold shrub experimental institute.

Researchers there have opened more than 840 hectares of experimental field and built seven laboratories of bioenergy, livestock supersession, plant physiology, animal behavior, micro-biology, soil and plants. So far, research institutes of the United States, Australia and Japan have started long-term collaborations with the station.

The 5,500-meter-high Tibet Cosmic Ray Observatory situated atop the Ganbala Mountain is the highest and one of the four biggest cosmic ray observatories in the world.

Over the past decade, the observatory has detected numerous new and strange cases in high energy physics. Currently, seven Japanese universities are cooperating with the High Energy Institute under CAS in collecting data at the station. "The achievements of one year's work here are richer than four years of work in Fuji Mountains," a Japanese researcher noted.

The Dongchuan Debris Flow Research Station in Yunnan Province is known internationally as "a natural museum of debris." Chinese researchers have set up an automatic monitoring and prewarning system at the station. In recent years, the Geological Investigation Bureau of the United States has been collaborating closely with Chinese scientists at the station.

In recent years, Chinese scientists have also set up five geomagnetic stations in Mohe in Heilongjiang Province, Sanya in Hainan Province, Antarctic, and Beijing. The

five stations, together with the Soviet Geomagnetic Station in the Arctic Circle, have formed the world's longest geomagnetic meridian chain.

Researchers from CAS disclosed that the academy is planning to invest 60 million yuan to build or expand 41 field laboratories and research stations in the next five years, including Tibet Experimental Station of Highland Agricultural Ecology, the first of its kind in the world.

### Military

#### Commentary Criticizes Favoritism in Armed Forces

HK1809054290 Beijing JIEFANGJUN BAO in Chinese  
22 Aug 90 p 1

[Commentator's article: "Develop Closer Comradely Ties Between Officers and Soldiers"]

[Text] An Armed Forces unit conducted a sample survey on "complaints about the attitude of cadres." One-third of the soldiers replied that they felt resentment over the cadres' habit of claiming kinship for certain purposes, because this hampers the formation of comradely ties between officers and soldiers.

It is true that healthy and comradely ties between officers and soldiers hold sway in many grass-roots units, but the habit of claiming kinship among grass-roots cadres is taking shape due to the influence of bad social customs. Some cadres deal with their soldiers depending on whether or not they are fellow villagers, instead of looking upon them equally without discrimination. They apply different standards to different soldiers when issuing rewards, recruiting party members, or promoting them, all depending on whether they come from the same native place. This being the case, some soldiers like to look for fellow villagers among the cadres so as to curry favor with them.

This kinship mentality is a product of history. In the old society, peasants and craftsmen who had gone bankrupt left their native places to earn a living; in other places they had to rely on fellow villagers who had settled down in these places earlier. So, in ancient times, "relatives helped relatives, neighbors helped neighbors, and fellow villagers helped fellow villagers." Today, the situation has changed completely. Mutual trust, friendship, unity, and mutual relations are built on common ideals, morality, and interests. The kinship mentality, which is of a feudal patriarchal nature, runs counter to the common ideas, morality, and interests of today and is producing a negative impact. Officers and soldiers of the People's Army come from all corners of the country for a common revolutionary goal. Members of the revolutionary ranks should cherish brotherly love for each other. Cadres should therefore bear in mind the "all corners" motto when training soldiers, instead of applying a "narrow kinship mentality." This vulgar mentality must be discarded and replaced by comradely relationships based on a common political goal.

Opposing this vulgar mentality does not mean to oppose normal feelings for fellow villagers. It is normal that people from the same native place talk a lot when meeting with each other, but principles should be stressed and a distinction made between right and wrong. Because fellow villagers can approach each other easily, it is easy for them to understand and accept the demand for following principles in work. Putting this narrow kinship mentality above everything else will harm the unity between officers and soldiers, affect the reputations of the cadres, and slacken the coherent force and combat effectiveness of military units. This must not be allowed to continue!

Cadres are the key to developing healthy, comradely relationships. Our cadres, particularly those in grass-roots units, should strengthen their cultivation of party spirit, place party interests above everything else, pay attention to their units' ideological development, treat their comrades equally in politics, and show concern for their lives, regardless of whether these comrades come from the same native places. Comrades should be sincere to each other and frequently have heart-to-heart talks with each other. When there are different views, these should be discussed; when there are shortcomings, they should be kindly criticized; and when there are difficulties, methods should be worked out through collective wisdom to overcome them. Comrades should care for each other. Only by caring for each other, cherishing love for each other, helping each other, and respecting each other, will it be possible to develop closer comradely ties between officers and soldiers.

#### Better Protection of Military Facilities Urged

HK1709121790 Fuzhou FUJIAN RIBAO in Chinese  
24 Aug 90 p 2

[Article by provincial military commander Chen Shu-qing (7115 2885 3237): "The Army and the People Cooperate To Jointly Protect Military Facilities"]

[Text] The "Law of the People's Republic of China on Protecting Military Facilities" was put into effect beginning 1 August. The law, which explicitly defines protection of military facilities as the responsibility of the entire people, is of very great significance in enhancing the whole nation's awareness on national defense, protecting the safety and usefulness of military facilities and the normal operation of military activities, building stronger national defense, protecting socialist construction and the smooth progress of reform and opening up to the outside world, and in maintaining long-term political stability in our country.

Since the founding of the People's Republic of China, to protect its security and safeguard its territorial (territorial sea) integrity and sovereignty against any violation, the state has built a considerable number of military facilities on coastal and border fronts and hinterland areas and thus gradually built a relatively complete military defensive system. For that purpose, the state has

spent huge amounts of human, material, and financial resources. Therefore, the military facilities are the fruit of the sweat and toil of the broad ranks of officers and men and of the broad masses of people becoming the precious property of the state. Every citizen should value and cherish them. Military facilities are an essential military base for our Army to fulfill the combat, training, patrolling, and scientific research tasks and constitute an important component part of the state's defense capability strength and the Army's combat effectiveness. The mainstream of the world today is peace and development. Nevertheless, we should soberly notice that hostile forces at home and abroad have never ceased carrying out their subversive activities against our country. In the areas surrounding our country there are still conflicts and crises. This requires us to maintain a deterrent force commensurate with our country's position so as to safeguard the smooth progress of our socialist modernization as well as the peaceful labor of the people and the normal order of their lives. In this sense, protecting military facilities from any encroachment is a need of the state's and the people's interests and the common task of all the citizens of the republic.

The Fujian area is the important gate of the southeastern coastal regions of the motherland where a considerable number of military facilities are located. Since liberation, the people of Fujian have made great contributions to the building and protection of military facilities. In the new historical period, party committees at all levels, the government, and the broad masses of people of Fujian have correctly handled the relationship between reform and opening up to the outside world and economic development on the one hand and protection of military facilities on the other. They have attached great importance to and have done a lot of work in protecting military facilities, thus effectively protecting most military facilities, bringing their defense usefulness and economic results into play, and fully demonstrating the Fujian people's lofty idea of being prepared for danger in times of peace and taking the interests of the whole into account. However, because of such reasons as imperfect national defense legislation, a blunted sense of national defense on the part of a few cadres and people, and an inadequate understanding of the importance of protecting military facilities, cases of man-made damages of, arbitrary encroachments on, and careless giving up or leakage of secrets could be found time and again, thus impairing the defense usefulness of military facilities and hindering the completion of the Army's work for preparedness against war and the normal progress of military activities. This being the case, apart from strengthening ideological education and administration, it is highly necessary to furnish better protection of military facilities through the force of law and check any actions of sabotaging and undermining military facilities.

The promulgation and enforcement of the Law on Protecting Military Facilities has provided a legal basis for the protection of military facilities. Nevertheless, to make sure that laws must be observed, their enforcement

must be strict, and law-breakers must be dealt with. Strenuous efforts are still needed. It is the duty-bound task of our military comrades to study, propagate, and enforce the law in real earnest. The vast ranks of officers and men in Fujian must strive to become a model of safeguarding the inviolability of the law and protecting military facilities. Comrades in our Army should take the lead in learning the law, have a profound understanding of its basic contents and great significance, and strive to effectively enhance their willingness to enforce the law. Under the leadership of local party committees and governments, we should set the state's security and interests above everything else, use political power to correctly handle the relationship between reform and opening up to the outside world and economic development on the one hand and protection of military facilities on the other, and properly solve various kinds of disputes relating to military facilities. Protecting military facilities is the common responsibility of the military and local authorities. First of all, the Army should improve itself organizationally, define clear responsibility, take the protection of military facilities as the important content of the "double support" activities, and strive to win the care, support, and help of local leaders so that a situation will emerge in which the military and local authorities will cooperate in unity and make concerted efforts to manage military facilities. The Fujian Provincial CPC Committee and government slated August as the "Military Facilities Protection Publicity Month." We should grasp this opportune time, make vigorous efforts to publicize the Law on Protecting Military Facilities and the advanced deeds of protecting military facilities by using various means and in close coordination with local governments and departments concerned, and create a sound environment in which all members of society protect military facilities.

Fujian Province's geographical position is important. Therefore, it is of special significance to conscientiously enforce the Law on Protecting Military Facilities and manage and use the various kinds of military facilities well. It is my belief that under the leadership of the Fujian Provincial CPC Committee and government, with the Army and the government as well as the Army and the people uniting as one and giving full cooperation to each other, we will certainly be able to create a new situation in the work of protecting military facilities and make fresh contributions in safeguarding the state's security and interests, achieving greater social stability, and defending the people's peaceful production and livelihood.

#### **Army Paper Urges Political Discipline**

*HK1809073190 Beijing JIEFANGJUN BAO in Chinese  
23 Aug 90 p 3*

[Article by Peng Zicai (1756 1311 2088): "Strictly Observe Political Discipline"]

[Text] The discipline ordinance recently issued by the Central Military Commission states that carrying out the

CPC's line, principles, and policies" constitutes an important aspect of our Army's discipline. This is of great importance to tightening our Army's discipline and safeguarding the party's leadership over the Army in a new period.

Our party has consistently stressed the great importance of political discipline. The "Resolution on Some Questions Concerning the Organization" adopted by the 5th CPC National Congress held in April 1927 clearly stipulated: "The party's discipline is very important, but greater attention should be devoted to tightening political discipline." The "Discipline Ordinance" published by the Central Military Commission in 1942 made it a rule that "the revolutionary army should strictly observe military discipline to improve their fighting capacity and ensure success in directing and fighting a war; but, more importantly, they should strictly observe political discipline, safeguard the people's interests, and seek their cooperation before they can ensure victory of the revolutionary war." At the party Central Committee's working conference called in December 1980, Comrade Deng Xiaoping pointed out: "Party organizations at all levels and every party member should follow the party constitution. They should obey in all their actions decisions made by their superiors and in particular keep in step with the party Central Committee politically. This is of special importance at present." In January 1985 Comrade Deng Xiaoping stressed once again: "The supreme criterion for observing discipline is to really defend and resolutely carry out the party's and state's policies." These stipulations and theses profoundly reveal the internal law of the work of heightening the sense of discipline and adequately expounding the great importance of political discipline.

An army's political discipline is the standard for judging the political actions and opinions of the Army and individual soldiers. It serves to readjust the relations between the Army on the one hand and a certain party and its political party on the other, and stipulates which class and its political party it should serve and the leadership of which class and its political party it should accept. For our Army, political discipline serves to readjust the relations between the Army and every soldier on the one hand and the party Central Committee's line, principles, and policies on the other, and ensures the party's absolute leadership over the Army. Its principal contents are: Armed forces at all levels and every soldier must consistently abide by the political orientation defined by the party; follow the resolutions adopted by the party in spite of all setbacks; steadfastly implement the party's line, principles, and policies; and keep in step with the party ideologically and politically. Political discipline, which highlights the interests of a certain class and its political party to a greater extent, concerns the nature and orientation of the Army. Therefore, political discipline is more fundamental in nature, more related to the overall interest, and has a greater bearing on the orientation of the Army compared with other kinds of discipline.

The reason why our Army's political discipline is especially important is because discipline ensures the party's absolute leadership over the Army. The party's absolute leadership over the Army is the fundamental principle for our Army-building and the fundamental guarantee that our Army will preserve its proletarian nature forever. We defined this principle in the early days of our Army's founding. In 1935, Comrade Mao Zedong advanced his famous thesis: "Our principle is that the party commands the gun, and the gun must never be allowed to command the party." The reason our Army has grown from weak to strong and from small to large and proceeded from victory to victory over the last several decades is that we have upheld the party's absolute leadership over the Army.

To ensure that our Army will consistently place itself under the party's absolute leadership, we must first of all strengthen the Army politically, arm the minds of officers and men of the whole Army with Marxims-Leninism-Mao Zedong Thought, and raise their ideological consciousness. At the same time, we must give play to the role of all levels of party organizations in the Army as the fighting fortress and encourage officers and men to observe political discipline conscientiously. Just as Comrade Mao Zedong pointed out: "Discipline is the guarantee for the implementation of the line. Without discipline, the party would be unable to lead the masses and armed forces to gain a victory over the enemy." During the Long March, Zhang Guotao maintained an army and defied orders from the party Central Committee. He came out against the party Central Committee's correct decision that the Red Army should march up north to fight Japanese invaders and also tried to split the party and Red Army organizationally. In the face of the acute struggle, the broad masses of officers and men, displaying their intense sense of political discipline and organizational discipline, supported the party Central Committee's line, and defeated his counterrevolutionary plot, thus defending the party's absolute leadership over the Red Army. During the war of resistance against Japan, Wang Ming advocated placing our Army under the Kuomintang's "unified command." But officers and men of the whole Army resolutely carried out the policy of "exercising the party's absolute leadership over the Eighth Route Army" and frustrated his scheme to abolish the party leadership over the Army. Therefore, political discipline is inseparable from the party leadership. It is for this reason that a handful of alien-class elements at home and abroad are extremely afraid of the principle that the party exercises absolute leadership over the Army and is look upon our Army's political discipline with hatred. They tried their best to preach the theory of "separating the Army from the party," "depoliticizing the Army," and so on. They have attempted in vain to drive a wedge between the party and Army, deprive the Army of political discipline, abolish the party's absolute leadership over the Army, and change the nature of our Army, thus paving the way for overthrowing the party leadership and socialist system.

At present, international reactionary forces are increasing their effort to peddle their peaceful evolution strategy in China, mainly directing their attack at the Army; a handful of hostile elements at home, who persist in bourgeois liberalism and have refused to resign themselves to defeat, will stir up trouble as soon as they see fit. In the course of the economic improvement and rectification and intensified reform, the interests of some officers and men or their relatives may be affected by readjustment of interests and our effort to overcome temporary difficulties; and the protracted peaceful environment may blunt the soldiers' sense of defense and relax their will to fight. Under the circumstances, to make sure that our Army will be up to the mark forever, we must tighten political discipline so that the Army will submit to the party's absolute leadership at all times and obey orders from the party Central Committee and Central Military Commission in all their actions.

### Economic & Agricultural

#### Crisis Meeting Tackles Grave Economic Situation

HK1809033890 Hong Kong HONGKONG STANDARD  
in English 18 Sep 90 p 8

[By Cheung Po-ling]

[Text] A high-level national conference is being held behind closed doors in Beijing to discuss China's grave economic situation, according to informed sources in the capital.

Premier Li Peng, senior government officials, provincial party secretaries and governors, and planning officials, are attending the meeting, according to the sources.

The meeting, due to last until the end of the month, would coincide with the Asian Games, but the authorities have decided to hold it anyway due to the declining economic situation and the need to discuss the Eighth Five-Year Plan which is to be debated at the coming Communist Party plenum, reportedly scheduled for November.

After the plenum decides on the draft of the new plan, it would be submitted to the annual session of the National People's Congress next March for deliberation and approval.

Besides the Eighth Five-Year Plan other topics to be discussed in the Beijing meeting include regional protectionism and the economic problems of individual provinces, sources said.

It was unlikely that the debates and resolutions from the conference would be made public as the five-year plan had yet to be finalised.

The government is said to be urging provincial governors and mayors in major cities to offer money to help it through financial and economic problems.

The central authorities are reportedly becoming increasingly concerned by regional protectionism, and believe provincial leaders have become indifferent to the central government's financial problems.

The budget deficit is expected to far exceed the projected figure of around nine billion yuan (HK\$15.3 billion) to reach 10 to 12 billion yuan this year.

Another 120 billion yuan is needed to subsidise prices and rescue money-losing state enterprises.

Regional protectionism emerged during the decade of economic reforms and opening to the outside world.

Provincial authorities were granted greater autonomy in economic affairs which resulted in the setting up of internal trade barriers.

The central authorities see this as a major stumbling block to increased industrial production.

In a related development, Yuan Mu, spokesman of the State Council and also director of its Policy Research Office, in an article published in the PEOPLE'S DAILY yesterday, said the harsh austerity programme would last at least until next year or even the year after.

It was understood he was setting the tone for the Beijing economic conference and perhaps also outlining the Eighth Five-Year Plan.

According to Mr Yuan, the first two years of the new plan would be devoted mainly to rectifying the economic order with little effort on development.

The focus of the remaining three years would be on development.

As the Beijing conference is understood to be a venue for officials of central and provincial authorities to exchange ideas, it was unlikely that the meeting would make any major resolutions.

It would, however, put forward some suggestions to be considered by the central authorities and the relevant economic ministries.

#### Workers' Benefits Plan To Head Off Unrest

HK1809034690 Hong Kong HONGKONG STANDARD  
in English 18 Sep 90 p 8

[By Fan Cheuk-wan]

[Text] China is to extend pension and unemployment benefits to all workers in an effort to head off unrest, Li Peiyao, the Vice-Minister of Labour, said yesterday.

The move reflects Beijing's concern about possible social discontent, especially from the unemployed, after two years of austerity.

It was understood that the government has decided to take necessary measures to defuse rising discontent

among the 200 million workers who have suffered most from the general lowering of living standards.

Since 1949, the State Council has stipulated that state-owned enterprises must offer pensions and unemployment allowances to their workers.

"The Ministry of Labour is drafting a set of administrative regulations which will stipulate that the existing pension and unemployment allowance schemes are widened to cover all collective and privately-owned enterprises and Sino-foreign joint ventures," Mr Li said.

He said the State Council has issued instructions to his ministry that the insurance system should be operational within the Eighth Five-Year Plan (1991-95).

The ministry has been told to look after "the welfare of the workers and guarantee social stability," Mr Li said.

"The proposed social insurance system...would mainly cover two areas, pensions and unemployment allowances."

A nationwide contributory pension scheme—introduced experimentally in cities such as Guangzhou, Nanchang, Nanjing and Kunming—would also be extended to the whole country.

"The scheme will help ease the heavy financial burden shouldered by the central government and the enterprises," he said.

Mr Li said the move was to "socialise" the insurance system so the workers were responsible for contributing to their pension funds.

"Currently, the state and state-owned enterprises allocate a total amount equivalent to 16 per cent of the total salaries of all the workers in the country to unemployment funds," he said.

However, Mr Li, who is also the vice-chairman of the All-China Federation of Trade Unions, said Western-style provident funds could not be applied to China because of the low wages.

"To gradually extend the contributory pension scheme, the Ministry of Labour has proposed that the State Council consider carrying out wage reforms during the Eighth Five-Year Plan," he said.

"But the proposal must be approved by the Ministry of Finance and the State Planning Commission first," he said.

All state-owned enterprises are required to invest the equivalent of at least 1 per cent of the total salaries of their workers to set up unemployment funds for their workers.

Unemployment allowances are only granted to workers who lose their jobs for violating discipline or because their enterprises go bankrupt.

"The scope of the unemployment allowances will be widened to serve workers who lose their jobs in the course of the industrial structural readjustment in the next five years," he said.

Official statistics indicated unemployment in China had reached 6.68 million last December, which accounted for six per cent of the total number of workers serving state-owned and collective-owned enterprises.

The official XINHUA NEWS AGENCY on Sunday reported that about 92 million young people would reach working age between 1991 and 1995, and 15 million of them would be expecting to be allocated jobs from the government.

Mr Li admitted that the austerity drive had caused unemployment to rise as many capital projects were suspended or cancelled and a large number of inefficient enterprises closed.

"During the Eighth Five-Year Plan, the State Council has decided to further deepen the economic structural readjustment which would cause more inefficient enterprises to stop production or go bankrupt," he said.

#### Finance Minister To Urge Early Resumption Loans

HK1809023090 Hong Kong SOUTH CHINA  
MORNING POST in English 18 Sep 90 p 10

[By Willy Wo-Lap Lam]

[Text] Finance Minister Mr Wang Binqian left China yesterday for New York to lobby the World Bank and the International Monetary Fund for an early resumption of loans to China.

Mr Wang, also a State Councillor, is scheduled to attend the joint annual meeting of the International Monetary Fund (IMF) and the World Bank.

While the joint meeting is not expected to directly address the issue of China loans, analysts say Mr Wang will urge the two financial institutions to speed up the resumption of ties to China to pre-June 4 levels.

At the meeting of the leaders of the Group of Seven (G7) industrialised nations in Houston, Texas in July, it was agreed that the World Bank would stick to its policy of extending to China only loans tied to "basic human needs" and to economic reform.

However, in his meeting with the visiting Shanghai mayor, Mr Zhu Rongji, soon after the G7 summit, the bank's senior vice-president, Mr Moeen Qureshi, was quoted as promising Mr Zhu the full resumption of "normal loans to China at the earliest possible date".

Mr Wang is expected to push the World Bank and the IMF for more loans at a time when the central government treasury is flowing with red ink.

Chinese economists have estimated that, to reflate the economy—a priority of the Government—the treasury

may have to issue an unprecedented 200 billion yuan (HK\$330 billion) in loans this year.

More low-interest loans from the world bodies could help Beijing cut domestic lending, which many economists fear would re-ignite inflation.

Financial analysts say while World Bank and IMF officials are eager to resume the loans, the speed of the resumption depends on the U.S. Government, which is the largest contributor to the institutions.

Mr Wang is the highest-ranking cadre to visit the U.S. since the June 4 massacre. As a guest of the World Bank and the IMF, Mr Wang's visit is considered "unofficial" and no meetings with U.S. government officials have been announced.

However, as in the case of Mr Zhu, who was on a "private visit" to the U.S., Mr Wang is expected to hold discussions with senior officials and business leaders, say diplomats in Washington.

#### Article Stresses Slow Recovery of Market

HK1709111090 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 35, 27 Aug 90 pp 3, 4

[Article by Mao Sang (5399 2718): "China's Market Shows Slow Recovery"]

[Text] This year China has continued to implement the policy of economic improvement and rectification and deepening reform. There is stability in society, commodity prices, and the people's feelings as well. In such a stable environment, retail market operations are also stable. A trend of regrowth in the marketing of commodities has appeared. But the weak retail market has yet to improve.

#### The Characteristics of Market Operation

The total retail sales volume is dropping month by month. In the first half of the year the total retail sales volume was 403.9 billion yuan, a decrease of 1.9 percent over the same period last year. Although there has been a negative growth in this total volume each month, the rate of decrease is becoming lower, showing a recovery trend. For example, the dropping rate was 5.6 percent in February, 4.9 percent in March, 3.3 percent in April, and 0.5 percent in May. But in June, the total retail sales volume increased by 1.4 percent. The recovery in the provinces and regions, where large quantities of commodities are provided by other provinces and regions, is faster than the developed areas. For example, as there has been a relatively ample supply of goods this year and the local governments have placed fewer restrictions on circulation, commodity sales this year have improved in Shanxi, Inner Mongolia, Guangxi, Yunnan, Qinghai, Ningxia, and Xinjiang. But in some developed provinces and municipalities in coastal areas and central China, such as Jiangsu, Zhejiang, Shanghai, Anhui, Henan, Hubei, Fujian, Guangdong, Liaoning, and Tianjin, the

total retail sales volume have dropped by 1.5 to 7.3 percent over the same period last year.

There are clear distinctions between busy and slack seasons in the market. The busy seasons include those before festivals and holidays and seasonal changes. For example, the sales of summer clothes, cloths, refrigerators, electric fans, and children's wares for "Children's Day" were especially good in May. Statistics of 35 large-scale department stores show that they sold a total of 320,000 skirts in May this year, which is an increase of 19.7 percent over the same month last year. In the same month, the sales of refrigerators and children's wear rose respectively by 38.2 and 3.7 percent.

The weak selling and commodities shortage exist simultaneously. At present, the unmarketable commodities mainly include clothes and manufactured goods for daily use, especially high-grade and durable consumer goods and some high-priced commodities. The sales of edible commodities, such as meat, poultry, cigarettes, wines, aquatic products, vegetables, and fruit are comparatively more stable, and some have increased. But quite a few varieties of clothes and manufactured goods for daily use are unmarketable. The shortage in commodity supply and the situation between supply and demand have been improved. According to a Ministry of Commerce investigation on the supply and demand of 645 major commodities in the first half of the year, the supply of 129 commodities, or 20 percent, fell short of demand, which was 17 percent lower than the second half of last year, which was 37 percent.

The rural market is weaker than the markets in cities and towns. In the first half of the year, the retail sales volume of the rural market under the county level dropped by 6.2 percent over the same period last year, but that of the cities rose 1.5 percent. This is a great contrast. The sales volume of main consumer goods in the rural market dropped overall. Of the 36 major industrial products mainly handled by supply and marketing cooperatives, 33 registered a decrease in the sales volume compared with the same period last year. At the same time, weak demand and poor sales also appeared in the capital goods market for agricultural production. This was a rare phenomenon in recent years. The rural market is still at low tide, showing no signs of recovery.

#### Why It Is Difficult To Improve the Weak Market

There are very complicated reasons for the weak market. It is a result of implementing the double-austerity policy and a series of other policies. Besides, there are also other problems, such as the disharmony and imperfection in the economic structure's reform, the irrational product mix, the inadaptability between the consumption structure and the consumption policy, the weakening of purchasing power, and the insufficient immediate consumption.

The immediate demand of both the urban and rural residents has been increasing slowly this year. In the first half of the year, the increase rates of total wages and

bonuses for the workers in cities were 12.6 and 32.5 percent lower than the same period last year. In the rural areas, due to the decrease in their actual income, the peasants' real purchasing power was also weakened. Because both the township and town enterprises workers' incomes and the scale of capital construction in cities were reduced, many peasants originally working there had to return to their home villages. On the other hand, due to the big scissors difference between industrial and agricultural prices, the peasants are unable to sell all their agricultural and sideline products. The peasants' actual income has dropped. The drop in the residents' income growth rate inevitably resulted in the increase of per capita living expenses of every household and the reduction in commodity sales.

Since the beginning of this year, as demand has reduced by a large margin, a large portion of the residents' purchasing power has been turned into savings deposits. Although the interest rate for savings deposits was reduced in April, savings deposits have continued to grow. By the end of June the balance of savings deposits in cities and towns reached 621.8 billion yuan. The weakening of purchasing power is an important factor for the weak market.

There are insufficient marketable commodities, but the market is still flooded with false and inferior commodities. A State Bureau of Technology Supervision investigation on more than 1,000 products in the first quarter of this year shows that 23 percent of the products were not up to quality standards. According to the National Consumers Association, in the first quarter of this year, Guizhou, Tianjin, Zhejiang, Shaanxi, and Hubei received 16,000 consumer complaints. Of these complaints, 68 percent were about the quality of commodities, most of which were household electric appliances and articles for daily use. As the quality of commodities is poor and the market is flooded with false and inferior products, consumers find it difficult to buy what they really want. When they want to buy some large and durable consumer goods, they are afraid of being cheated. The problem of quality has also affected the residents' normal consumption.

The residents' attitude of wait and see is a main factor restricting commodity sales in the market. An investigation shows that obvious changes have taken place in the people's attitude toward consumption. The main expressions of these changes are: First, the mentality of saving money for future use has been strengthened. Because of this, the residents do not want to purchase things hastily. Second, the sense of austerity has been enhanced. As income is expected to drop, the residents have to keep their expenditures within the limits of income. Third, the attitude of wait and see. Affected by these factors, the purchase power of the residents, who are expecting a decrease in their income, dropped to the lowest level in recent years in May.

### **Regional Trade Barriers Have Been Formed**

Commercial enterprises' economic returns dropped by a large margin and both the number of enterprises suffering losses and the amount of losses increased. From January to May, a total of 36,000 state-owned and cooperative commercial enterprises were suffering losses.

Since the end of last year, as a result of the weak market, trade barriers have been formed in various areas. Some areas have worked out regulations stipulating that those who have purchased goods from other areas without permission will be fined and the goods purchased will be confiscated. Some have designated certain commercial companies to monopolize and guarantee the sales of certain local products. Only when the local products are in short supply can they purchase from other areas with the approval of relevant departments in charge. Other areas have refused to extend credit to enterprises selling products from other areas and placed all kinds of restrictions on them in various fields, such as industrial and commercial management, quality control, commodity inspection, license issuance, and oil supply. But they have required commercial departments to purchase all local products, no matter whether these products are marketable or not. Thus, they have provided those low-quality, high-priced, and incompetent goods with a false way out. Judging from a macroeconomic point of view, market blockade has resulted in the weakening of macroeconomic regulation and control and made the weak market even weaker. It has played a negative role in readjusting the product mix and optimizing resources allocation.

In some areas, the phenomena of "difficulty in selling pig" and "difficulty in selling grain" have appeared. From January to June, as the storage of commercial grain had increased and many granaries were full, grain departments' grain purchases were affected. The main reason for the overstocking of grain was impeded transportation and marketing. Sichuan, Shandong, Jiangsu, Shaanxi, and other provinces complained that due to the problems in transportation and allocation, the phenomenon of difficulty in selling pigs has appeared in varying degrees.

### **Continue To Adopt Measures To Improve the Weak Market**

According to the market operation situation in the first half of this year, it is expected that in the second half of the year the retail market will make a slow recovery. However, in order to get rid of the difficult situation, it is still necessary to take some effective measures.

Some experts suggested that in macroeconomic policy, it is necessary to make up our minds to concentrate funds on readjusting the product mix and stress developing new products. In order to extricate ourselves from the difficult situation of a weak market, it is necessary to seize the current opportunity to work out new regulation and control measures to stimulate the market. While

exercising overall control over commodity prices, it is necessary to allow the prices to fluctuate within a certain range. In order to stimulate the demand for consumption, it is necessary to appropriately encourage investment in energy, raw materials, communications, and other basic industries. Group consumption can be treated in different ways in light of actual consumption and the restrictions on this consumption can be relaxed to a certain extent provided it can help increase work efficiency and the funds are guaranteed.

There has been a bumper harvest of summer grain this year. The funds for grain purchase should be guaranteed and the phenomenon of giving IOUs should be eliminated so that the peasants' actual income and their purchasing power can be increased steadily and the rural market can be stimulated. In order to increase the residents' commodity and noncommodity expenditures, it is necessary to readjust our consumption policy and structure; speed up the pace of commercializing dwelling houses; carry out reform of the medical and health, education, and social insurance systems; and improve the current situation of residents' narrow consumption.

### **Coal, Electricity Industry Plans 38 Projects**

*HK1809021690 Beijing CHINA DAILY in English  
18 Sep 90 p 2*

[By staff reporter Huang Xiang]

[Text] China yesterday announced a massive plan to construct 38 energy projects to fire up the country's coal and electricity industry in the latter half of 1990.

The programme involves investment of around 1 billion yuan (\$212 million) and sources told CHINA DAILY yesterday that these projects, which include 37 coal mines and one coal-electricity complex, may soon have funds available for preparatory work.

The total annual capacity of the projects will reach 53.9 million tons of coal and 1 million kilowatts of electricity, according to an official with the State Energy Investment Corporation.

The corporation, the energy industry's leading financial arm, is responsible for the construction of large and medium-sized coal and electricity undertakings.

Of the total investment, 95 percent will come from the State Treasury, which usually spends around 20 billion yuan (\$4.25 billion) on energy projects every year.

The rest comes from local sources, and will largely be spent on the coal-electricity complex in Inner Mongolia Autonomous Region in North China.

According to the official, no overseas funds are involved since most foreign firms are reluctant to invest in China's coal projects as the current low price has dimmed any prospects of profit.

He said about 300 million yuan (\$63.8 million) will be spent this year on such preparatory work as the purchase of land and construction of accommodation and communications facilities.

He said that of the 38 projects, fourteen had actually begun preparatory work before 1990 and had thus been included on the list.

Altogether there are 18 projects, each with an annual capacity of more than 1 million tons of coal; a handful of them are able to produce more than 4 million tons of coal a year.

Most of these major projects are in the coal-abundant regions of Shanxi, Shaanxi, Shandong, Anhui and Henan provinces and in Northeast China.

The most impressive scheme is the first-phase of Yiminhe Coal-Electricity Project in Inner Mongolia, a key State-designated demonstration project for the industry.

It involves a 4-million-ton open pit and two 500,000-kilowatt generating units.

"Coal from the open pit will be sent to power plants nearby for electricity generation instead of being transported to faraway plants," said an official of the Ministry of Energy Resources.

With a total investment of three billion yuan (\$637 million), it is expected to greatly ease power shortages in the region and in the heavily-industrialized Northeast China.

### **Tian Jiyun on Farm Output, Aiding Poor Areas**

*OW1809072590 Beijing XINHUA in English  
0712 GMT 18 Sep 90*

[Text] Beijing, September 18 (XINHUA)—The "ECONOMIC DAILY" today carried the full text of a speech by Tian Jiyun, vice-premier of the State Council, on the current situation in farm production and aid to poor areas.

The vice-premier said the general situation in the countryside is one of prosperity, and farmers live and work in peace and contentment.

Tian made the speech when he inspected Shandong Province early this month.

He attributed the good situation to the stable party policy in rural areas, introduction of a market mechanism that has stimulated farmers' enthusiasm for production and the favorable weather conditions.

Tian called on localities to strengthen field management of autumn crops, the management of cotton in particular; do a good job in purchasing and selling farm and sideline products; and stabilize the contract production responsibility system while expanding social services

and the collective economy; and get ready for autumn harvest and improving irrigation facilities in the coming winter and spring.

Tian praised people in the remote mountain areas for getting rid of poverty, and encouraged local governments to carry forward the spirit of relying on their own efforts and working hard to help other people cast off poverty by making full use of local natural resources.

### **Rational Use of Agricultural Resources Stressed**

*HK1809054590 Beijing RENMIN RIBAO in Chinese  
31 Aug 90 p 2*

[Report by XINHUA reporter Wang Yanbin (3769 6056 1755) and RENMIN RIBAO reporter Jiang Yaping (5592 0068 1627): "Chen Junsheng Addresses a National Conference on Agricultural Zoning"]

[Text] Beijing, 30 Aug 90 (RENMIN RIBAO)—At a recent national conference on agricultural zoning, State Councilor Chen Junsheng emphasized that efforts should be made to vigorously do a good job in proof work at an early stage and enhance foresight and a scientific character in the exploitation of resources. This can by no means be treated in a careless manner.

Chen made these remarks when talking about the significance of the planning of agricultural zoning. He said: China's basic national condition is characterized by a very large population and insufficient cultivated land, and it is an irreversible tendency that the population will become larger and the land even less. Therefore, we should start with the two aspects of transforming the existing various kinds of farmland and exploiting new resources in China's agriculture. Emphasis should be put on efficiency in this regard, the greatest efficiency being a rational disposition of various factors of productive forces, which means exploiting resources in a rational way, for an irrational disposition of resources is the biggest waste. This requires us to understand and utilize agricultural resources in a scientific way, and obtain an all-around and scientific idea of our "family properties."

Chen Junsheng said: Practice proves that irrational exploitation of resources cannot promote the development of agricultural production. On the contrary, it may hinder the development of production and damage productive forces. Since the founding of our country, the

party and the government have done a lot to rationalize the utilization and exploitation of agricultural resources. However, due to various factors, they have also done things that went against natural and economic laws. For example, many localities have, to varying degrees, managed agricultural natural resources in a predatory way. Some have adopted a wrong disposition of resources which caused damage to the ecological balance, brought about a reduction in resources, and resulted in the formation of a vicious circle. This is manifested in crop planting by extensive cultivation but small yields, and the practice of attaching more importance to utilization than conservation; in forestry, by excessive cutting and the practice of paying more importance to tree-felling than afforestation; in animal husbandry in grasslands, by excessive numbers of stock and the practice of relying on natural conditions to raise animals; and in fishery, by the practice of indiscriminately catching fish in fishponds and that of stressing catching rather than breeding fish. All these problems arose at the end of the 1950's and are becoming worse and worse, resulting in a serious vicious circle which has caused fairly great losses in land, prairie, forestry, fishery, and species resources. Since the 3d Plenary Session of the 11th CPC Central Committee, the exploitation and utilization of agricultural resources have gradually tended to become more rational than before: However, there are still many problems, some of which are very serious. One of the important measures by which to solve these problems is to conscientiously strengthen investigation at an early stage of resources exploitation and do a good job in agricultural zoning.

Chen Junsheng stressed that the plan put forward by the Agricultural Zoning Department is the most authoritative one, being high-level, advanced, comprehensive, trans-regional, and trans-departmental. All special departments concerned should work out relevant regulations on resource investigation and zoning standards in accordance with regulations worked out by the zoning committee. In the process of comprehensive agricultural exploitation throughout the country, any projects to be reported to the state which fails to obtain approval from the zoning department of the same level will not be approved.

The national conference on agricultural zoning ended in Beijing today. Vice Premier Tian Jiyun paid a visit to the representatives at the meeting. Some comrades, such as He Kang and Liu Zhongyi, spoke at the meeting.

### East Region

#### Anhui Leaders Address Party School Meeting

OW1609063590 Hefei Anhui Provincial Service  
in Mandarin 1000 GMT 14 Sep 90

[Report by station reporter Hua Yan; from the "Provincial Hookup" program]

[Text] Under the new situation of concentrating the efforts of the whole party on party building, a provincial party school work meeting was held in Hefei from 10 to 13 September. The main purpose of the meeting was to transmit and implement the CPC Central Committee's instruction on stepping up the work of party schools and the guidelines of a national conference of party school principals, transmit and study the central leading comrades' speeches, and study suggestions for improving the work of party schools in Anhui.

Lu Rongjing, Yang Yongliang, You Guangcai, and Zhao Baoxing, leading comrades of the provincial party committee, were present at the meeting, which was attended by officials concerned from all prefectural and city party committees; party school principals of all prefectures, cities, and counties and some enterprises; and responsible persons from the relevant provincial departments, commissions, offices, and bureaus.

Lu Rongjing, secretary of the provincial party committee, spoke at the meeting on the morning of 10 September. He emphasized: It is necessary to understand the strategic importance and urgency of strengthening the study of basic Marxist theory among party members. While educating and arming party cadres with Marxist theory, party schools at all levels should truthfully bring their special role into play. Through the study of Marxist-Leninist theory, cadres should be able to properly solve problems, establish and develop a view of persistently trusting and relying on the masses, adhere to the principle of putting practice above anything else, and uphold the concept that cadres are the decisive factor in implementing a political line. Lu Rongjing closed his speech by urging party committees at and above the county level to effectively strengthen leadership over the work of party schools.

In his report, Comrade Yang Yongliang put forward a three point suggestion for strengthening the work of party schools in Anhui. First, an effort to improve the party schools should be a strategic measure for intensifying the construction of the party and its cadres' ranks. At present, it is especially important and urgent to strive to raise the Marxist theoretical awareness of all party cadres, and leading cadres at all levels in particular, in order to train and nurture a large number of reliable successors to the cause of socialism, as well as to ensure that leading party and government posts at all levels are firmly controlled by people who are loyal to Marxism and have both capability and political integrity, and that China will continue to advance along the road of building socialism with Chinese characteristics, which was pioneered by the Third Plenary Session of the 11th CPC Central Committee. It is also

important and urgent with regard to carrying out the party's general objective and tasks and destroying the international hostile forces' conspiracy of peaceful evolution. The quality of the large number of cadres, especially their awareness of Marxist theory, under the new situation is of crucial importance to the rejuvenation of Anhui and the success of the province's modernization drive. Therefore, we must continuously train one after another a group of leading comrades who will be loyal to Marxism and be capable of carrying the heavy task into the next century. Party schools at all levels shoulder an especially important responsibility in this aspect.

Second, it is necessary to strive to turn party schools into strong bases for training the leading comrades who are loyal to Marxism. We should adhere to the correct direction in managing schools and consistently regard as the primary task of party schools the training of leading cadres who are loyal to Marxism and can keep up with the demands of reform, opening, and construction. We should further carry out the principle of integrating theory with practice, and instill new vigor and style into the education of party schools. We should also intensify the training of party spirit among party school students so that party schools at all levels can become a melting pot for students to temper their party spirit in a genuine sense.

Third, it is necessary to effectively strengthen the leadership of party committees over party schools. A strong and effective leadership by party committees over the work of party schools is the basic guarantee for their successful management. We should place party school work as an important item on the agenda of party committees and, at the same time, should study and solve major problems existing in such work. It is necessary to attach great importance to appointing competent leading bodies and teachers of party schools. Responsible comrades of party committees should personally give lectures, chair forums, and participate in studies and discussions of major questions at party schools. We should also attach great importance to bringing into play the role of party schools in theoretical and political studies. While conducting theoretical and political study, party committees should pay close attention to using and applying the force of party schools, regularly assigning tasks to them, placing demands on party schools, and helping them improve the conditions for managing schools. It is necessary to help them improve school conditions.

Liu Guangcai, Standing Committee member of the provincial party committee and principal of the provincial party school, made the closing speech at the meeting.

#### Fujian Fulfills Annual Export Quota

OW1709165390 Beijing XINHUA in English  
1611 GMT 17 Sep 90

[Text] Fuzhou, September 17 (XINHUA)—Fujian, a coastal province in southeast China, has exported goods worth 1.29 billion U.S. dollars through mid-September, thus fulfilling its annual state export quota three and half months ahead of schedule.

Exports of food, garments, knitwear, light industrial goods, shoes, caps and jewelry showed a large increase.

A provincial trade official attributed the fulfillment of the annual quota to the construction of a number of export-oriented production centers, reform of the managerial system in foreign trade, and preferential policies for foreign trade adopted by local banks.

The province has built production bases catering to the production of arts and crafts, straw articles, wicker works and wood paintings. Over the past two years these bases have provided an ample supply of goods to trade departments.

Meanwhile, the contract responsibility system has been introduced to foreign trade departments, greatly increasing the initiative of local trade officials, the official said.

### Shanghai Establishes First Free Trade Zone

OW1009191290 Beijing XINHUA in English  
1528 GMT 10 Sep 90

[Text] Shanghai, September 10 (XINHUA)—The first free trade zone on the Chinese mainland will soon be set up in Shanghai's Pudong Development Area.,

This was announced at a news briefing hosted today by the Shanghai Municipal Government.

The free trade zone will be located in Waigaoqiao at the northeastern tip of the Pudong area.

Ruan Yanhua, general manager of the Free Trade Zone Development Company, said that in the first period of construction of the zone, a 3.28 sq km area will be developed between 1991 and 1995; it will be expanded to 10 sq km by the year 2000.

In the first five-year period, a total investment of one billion yuan will be required, including a state allocation. Loans and foreign investment will also be sought.

The general manager said he welcomes foreign businessmen and businessmen from Hong Kong, Macao and Taiwan to invest in the zone's infrastructure, and in the entrepot trade, processing for export, bonded storing and transportation sectors.

This year, Ruan said, the plans of the zone will be drawn up and international bidding invited.

### Pudong Regulations Will Help Opening to Outside

HK1109014490 Beijing CHINA DAILY in English  
11 Sep 90 p 1

[By staff reporter Zhang Tingting]

[Text] Shanghai—A set of regulations for the development of the 350-square-kilometre new Pudong area in

China's largest industrial centre was announced here yesterday to highlight China's policy of opening to the outside world.

Zhu Rongji, mayor of Shanghai, told 500 Chinese and foreign reporters that to open up the huge Pudong area to foreign investors is a strategic decision made by the central authorities that will have a long-term impact upon the development of the whole country.

The new rules include:

1. Customs regulations of the People's Republic of China concerning control over the goods, means of transport and personal articles entering or leaving the Waigaoqiao Free Trade Zone of Shanghai;

2. Regulations for administration of financial institutions with foreign capital and financial institutions with Chinese and foreign joint capital in Shanghai;

3. Regulations on reduction and exemption of enterprise income tax and industrial and commercial consolidated tax to encourage foreign investment in Pudong;

4. Regulations of the Shanghai Municipality for the encouragement of foreign investment in Pudong;

5. Examination and approval measures for foreign-funded enterprises in Pudong;

6. Provisional measures of Pudong for administration of planning and construction;

7. Guidance of industries and investment in Pudong;

8. Provisions of land administration in Pudong;

9. Measures on administration of the Waigaoqiao Free Trade Zone in Shanghai.

The first three were announced by Commissioner of Customs General Administration Dai Jie, Deputy Governor of the People's Bank of China Chen Yuan and Deputy Minister of Finance Xiang Huaicheng.

Executive Deputy Mayor Huang Ju told the press conference that three development companies are open for business today in the Waigaoqiao Free Trade Zone, Jin-qiao Export Processing Zone and Lujiazui Finance Trade Zone to serve and co-ordinate development projects.

Waigaoqiao, located at the northeastern tip of the Pudong area, will be the first free trade zone on the Chinese mainland.

Ruan Yanhua, general manager of the Free Trade Zone Development Company, said that in the first period of construction of the zone, a 3.28-square-kilometre area will be developed between 1991 and 1995. It will be expanded to 10 square kilometres by the year 2000.

In the first five-year period, a total investment of 1 billion yuan will be required, including a state allocation. Loans and foreign investment will also be sought.

According to the commissioner, the customs treatment is applicable to domestic enterprises which enjoy the right of import and export.

The deputy governor said that foreign banks will be able to establish branches later.

As to income tax of the existing four foreign banking firms, the deputy minister said, they had to apply for the new preferential treatment.

At present, the Nanpu Bridge, the first connecting the 350-square-kilometre area with the west bank of the Huangpu River, is going ahead smoothly and is expected to be in operation by the end of next year.

The Lujiazui area, which it is hoped will become a financial centre in Pudong, will be the subject of an international planning competition this year to make it fit into the existing scenario of the Bund.

### **Building Shanghai as 'Mainland Hong Kong'**

*HK1809040190 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 35, 27 Aug 90 pp 15-16*

[Last installment of article by Fei Xiaotong (6316 1321 6639): "Tentative Ideas on Building Shanghai Into 'Mainland Hong Kong'"]

[Text]

### **"Hot Land's" Urgent Demand—Deepening Reform, Expanding Opening Up**

During this trip to the south, I also had a plan which was, in fact, related to the development of the Chang Jiang Delta. I wanted to go to the grass roots to see to what standard the township and town enterprises there had developed the export-oriented economy and also to listen to the real views of the grass-roots cadres and the masses on the development of the Chang Jiang Delta. This task was mainly completed during the investigation of Jiangsu, in villages and towns and in counties and cities. From this, I acquired much information, increased my knowledge, and widened my train of thought.

Two aspects made the strongest impression on me. 1) Like the leaders of Jiangsu, Zhejiang, and Shanghai, the grass-roots cadres and the masses have an extremely urgent demand for expanding opening up. They feel concerning the tentative ideas on the development of the Chang Jiang Delta, our original suggestion that preparations would be made during the "Eighth Five-Year Plan" and the development work would be included in the "Ninth Five-Year Plan" is too slow. They hope the development work will be completed at an early date and included in the "Eighth Five-Year Plan." 2) The cadres at all levels and figures concerned of Jiangsu and Zhejiang Provinces are both glad and worried about the development of Pudong and hope Jiangsu, Zhejiang, and Pudong will develop simultaneously to ensure this region of China can become wealthy very soon. The practical

situation is that the economically interdependent relations between Shanghai and Jiangsu and Zhejiang have developed up to the present and one cannot be separated from the other. They, therefore, universally hope that the central authorities will consider the Chang Jiang Delta as a whole, deepen reform, and give it policies favorable to the expansion of opening up. This urgent demand for reform and opening up is really an inexorable tendency and inherent demand in the course of the development of the commodity economy.

I placed emphasis on the investigation of the situation of Suzhou Prefecture this time; went to Kunshan Self-Supported Development Area and the town, including Tongli, Songling, Shengze, of Wujiang again; and paid a return visit to Kaixiangong Village for the 14th time. The mayor of Suzhou told me Suzhou was no longer a backyard for opening up but now in the forefront for opening up. Since the central authorities designated Suzhou as a coastal economic open area in 1985, the gross industrial output value of Suzhou has all along closely followed that of Shanghai, Beijing, and Tianjin Municipalities, ranking fourth in the large and medium-sized cities throughout the country. In particular, its export-oriented economy has flourished and its foreign trade has increased by an average of 41 percent a year. The projects utilizing foreign capital have amounted to 447 and the actual amount of foreign capital utilized is approximately \$200 million. Its foreign economic cooperation has developed to many spheres, including contracts for construction work, export of labor service, technological service, and setting up enterprises abroad. In 1989, the city's gross industrial output value amounted to 40.3 billion yuan and its per capital gross national product was 3,280 yuan. According to the UN index, Suzhou has entered the intermediate period of industrialization. Therefore, ranking among the international markets, importing foreign capital and advanced technology, and readjusting and reorganizing Suzhou's industry appear more urgent than before.

Several years ago, money was spent to set up several self-supported development areas. I also appealed for Kunshan Self-Supported Development Area. When I visited Kunshan again this time, the overhead piping was erected around the development area, broad roads were smooth and led to all directions, factory buildings were both suitable for use and aesthetically-pleasing; the environment was fine. It is said that after 1985, the cumulative total of the industrial output value of the development area is 1.5 billion yuan and the profits and taxes are 230 percent of the expenses for the projects for basic facilities. Compared with the 14 coastal development areas, its industrial output value in 1989 was inferior only to Guangzhou and Minhang, ranking third. The development area now has some 10 joint ventures run by the countries and regions, including the United States, Japan, South Korea, and Hong Kong. These factories have also brought along 36 factories run by townships, towns, and villages throughout the city. The income of these township and town enterprises earned from the processing charges alone a year is some 50 million yuan. It appears that here it becomes a

plot of "hot land" for opening to the outside world and begins giving play to its attractive role externally and radiative role internally.

I had no time to visit the self-supported development area in the west of Suzhou. It is reported that the skeleton of the roads there has taken shape, there has been the supply of water, electricity, and communications, and all kinds of buildings on some 1 million square meters have been built. People of Suzhou said: Our contacts with Shanghai are closer than our contacts with Nanjing. Some principal products are made in Shanghai while their subsidiary products are made in Suzhou and some principal products are made in Suzhou while their subsidiary products are made in Shanghai as if you were a part of me, I was a part of you, and we were very dear to each other. If Shanghai can attain a yet higher goal and become a large port of the east through the development of Pudong, we are willing to become the third level of opening to the outside world—an "experimental plot" of a small coastal economic open area. The upper levels can first utilize this already plowed and weeded "hot land" here and give it suitable and preferential conditions so it can converge with Pudong.

Later, I was clearer about the concept of "hot land." Those areas of Jiangsu and Zhejiang, which are closer to Shanghai, whose industrial foundation is relatively solid, in which an export-oriented economy has developed relatively quickly, and which have a good transport service and relatively high scientific, technological, and cultural standards, want to rank among the international markets and to absorb more foreign capital and more advanced technology. It now seems that "everything is ready and all that we need is an east wind" [all is ready except what is crucial].

The more deeply I went into the rural areas of this "hot land," the deeper an impression they made on me. When I took a look at several towns and Kaixiangong Village of my hometown, Wujiang County this time, the situation was better than what I had thought. I originally wondered if the peasants' income would be affected by the impact when Chinese rural areas soon entered the commodity economy and met with industrial readjustment for the first time. Unexpectedly, the cadres and the masses here were clearer about the guiding ideology for the development of the rural commodity economy after this test.

As the secretary of the Wujiang County party committee said, to embark on modernization, we cannot cut off history but must carry forward the traditions and utilize the strong points. Prior to readjustment, our proposition was that agriculture was relied on for food, side occupations were relied on for money, and industry was relied on for construction. Subsequent to the readjustment of the policies, our proposition becomes: Agriculture is relied on for stability, side occupations are relied on for becoming wealthy, industry is relied on for development, and foreign trade is relied on for technological transformation.

I understand that Wujiang County has now ensured a benign cycle and coordinated development of agriculture, industry, and side occupations. Cultivation, the breeding trade, the processing industry, and export are integrated; five coordinated processes gradually take shape: Making the planting of mulberries, breeding of silkworms, silk reeling, silk weaving, printing, dyeing, finishing, and garment processing a coordinated process; making the breeding of rabbits, production of rabbit hair, and processing of rabbit hair yarn and rabbit hair coats a coordinated process; making the growing of mat straw and processing of summer sleeping mats and tatami a coordinated process; making the breeding of pigs and sheep and the production of leather products a coordinated process; and making the growing and processing of vegetables a coordinated process; and five groups of enterprises with the integration of agriculture, industry, and trade and groups for earning foreign exchange have been set up accordingly. Its income earned from foreign trade has ranked first among all countries throughout the province for eight consecutive years and the amount of exported products procured last year reached 680 million yuan, 370 million yuan of which was the amount of exported products made by the township and town enterprises. This year, the whole county has set up 25 joint ventures and introduced foreign capital of \$24 million, and the peasants' income not only has not dropped but has increased.

Having listened to the tentative idea on the development of the Chang Jiang Delta, the head of Wujiang County said very wittily that Wujiang had not many contacts with Shanghai but its township and town enterprises and the people of Shanghai were loath to part from each other. Some have privately been engaged and are waiting for the papers with which they are legally married. Some small enterprises are putting on grand airs and large state-owned factories have owed them debts. The debt of one factory is as high as several ten million yuan. Of course, we expect that Shanghai will run more "foreign firms" and be liberal with money and we shall benefit from claiming kinship with them and can easily obtain information and revolving funds in the future.

#### **A New Pattern With Shanghai as the Dragon Head and Jiangsu and Zhejiang as Two Wings Takes Shape**

It was not easy for Suzhou's economy to attain today's level and Suzhou endured many sufferings in building an export-oriented economy. As far as the introduction of foreign capital and setting up of joint ventures were concerned, no sooner had they heard that businessmen returned home to visit relatives than they seized the opportunity to visit these businessmen and then asked the relatives and friends of their relatives and friends to act as go-betweens. Such a method is very much like the method of the street vendors I saw in my childhood: Doing things for the sake of friendship, trying their luck, and even being fooled and deceived and suffering wrongly.

As we embark on the socialist commodity economy, we should have our own information compendium and all kinds of information and investment sources must be promptly concentrated and spread. Such an organization, that Shanghai called a "foreign firm" or a trading company in the past, can seize the fast-changing quotations on the market and work out a correct judgment and policy decision through comprehensive comparison. Of course, we cannot climb up to this step in a single bound as this takes some time. Responsible persons of Jiangsu and Zhejiang Provinces have proposed that we can rise from a "street vendor" to the stage of a "fair" and we can have a place to hold talks. The Guangzhou Fairs in spring and autumn every year are two such large "fairs." The managers and factory directors here go to the south every time without fail and they both are envious and do not understand. They say that in terms of the actual economic strength, scientific, technological, and cultural standards, and the geographic and transport conditions, the Chang Jiang Delta is not inferior to the Zhu Jiang Delta and the former is superior to the latter in some places, they do not understand why a "Shanghai Fair" cannot be held.

Over the past few years, the commodity economy has developed very quickly and there have been increasingly more lateral ties. As early as the initial period of reform and opening up, some people with breadth of vision organized a Shanghai economic cooperation area, set up a special organ, and did a lot of useful work. However, Jiangsu and Zhejiang cannot be mixed with Shanghai from start to finish: They sometimes look like relatives and sometimes look like the enemy. Either of them will make a concession and refuse to give in to the other. Obviously, this is the idea of local departmentalism that makes mischief. The idea that they must all be poor or rich together and the egalitarian thinking that "marching together" and "demanding uniformity in everything" can only pin down and fetter one another. As a result, three sides cannot do well in harnessing Tai Hu but their "cocoon battle," "rabbit hair battle," and "pearl battle" continue.

A new problem was heard during this investigation. The industry mix and product mix in Suzhou, Wuxi, Changzhou, Nantong, Hangzhou, Jiaxing, Huzhou, and Shanghai gradually tend to be identical. The importing of duplicate equipment or the building of duplicate plants of the same standards has occurred in the silk industry, chemical fiber textile industry, chemical industry, domestic electrical appliance industry, electronic instrument industry, and machinery processing industry. Such a tendency toward identity shows that on the one hand, the industrial foundation of the Chang Jiang Delta becomes stronger and stronger and this is a good thing; but, on the other hand, as the market is made smaller and smaller, all of them can only compete with one another in reducing the prices, and a phenomenon of outflowing profits has appeared. The responsible persons of Jiangsu, Zhejiang, and Shanghai have seen this and come to understand that if this continues, it will lead to the danger of economic downturn.

They think alike and put forward a demand for holding a "Shanghai Fair." Through the "Shanghai Fair," Shanghai contemplates importing sophisticated technology, further improving its industry mix and product mix in the course of readjustment, and developing new markets. Jiangsu and Zhejiang also hope to attain a yet higher goal and to rely on Shanghai's new round of radiation and coordinated development to consolidate and develop their own markets. I think that on the basis of equal interests and risks, equality, and mutual benefit, three sides can easily straighten out their relations. There will be a common foundation for the development of the Chang Jiang Delta.

In fact, Jiangsu, Zhejiang, and Shanghai have their own interests. I also heard that each of the three sides also had its own hard nut to crack. This is the problem of the relations between departments and between regions of the central authorities and localities. The Chang Jiang Delta—a "geomantically good precious land"—is the place which submits the largest revenue to China. Over the past few years, according to the "quota assigned," the total amount of profits submitted to the state has been about 23 billion to 24 billion yuan a year. The proportion of the profits submitted to the state is not small, either, and is about 70 to 80 percent. Concerning this point, the three sides understand the overall situation, take it into consideration, and are reasonable. They know that they should make more contributions toward the country but hope that while they guarantee no reduction in the revenue submitted to the state each year, the central authorities will give them some policies, such as the policy of retaining part of the extra profit so that they can strengthen their actual local strength and accumulate capital to develop the Chang Jiang Delta; otherwise, the "revenue to keep them alive" can hardly be maintained continuously.

Here, it involves not only reform of the financial structure but also reform of the monetary structure, like the introduction of capital, setting up of domestic and foreign banks, and issuing and transaction of stock certificates and bonds. If monetary reform is not carried out, it will be difficult to absorb foreign capital, to gather people's capital, and to adapt to the changes in the international monetary market. There is also a series of corresponding reforms, including reform of the foreign trade structure, reform of the structure of large enterprises, and reform of the communications and transport structure and the port management structure. This not only requires the central authorities to finally put forward a plan and work out a policy decision but also is related to reform of many departments of the State Council. I think that if suitable importance can be attached to and support given to the Chang Jiang Delta as a whole in the series of reforms, it can not only grow strong quickly by itself, become a fertile land of the state financial resources, and submit more profits and taxes to the state, but also have great energy to "pull" the development of the vast hinterland. In order to suit the expansion of opening up, the vast hinterland must further deepen reform accordingly. In this way, the coasts

and hinterland can be enlivened and the whole country will have more vitality and hope.

Specifically speaking, it is essential to first build up a new foreign trade pattern in the Chang Jiang Delta, rising from the piecemeal transactions of the "street vendor" type to a "Shanghai Fair" type, and then to scale new heights. With Pudong as the foundation as well as the service level of the "tradesman" type, Shanghai is to be built into a "mainland Hong Kong," that includes the Chang Jiang Delta Development Area with the industry and agriculture of the hinterland of Jiangsu and Zhejiang Provinces.

### Shanghai Attracts More Foreign Investment

OW1509143390 Shanghai City Service in Mandarin  
2200 GMT 14 Sep 90

[Text] Our municipality has maintained good momentum in attracting foreign investment this year. By the end of August, the municipality had an accumulated approval of 819 foreign-funded enterprises and absorbed \$2.67 billion worth of foreign investment funds. Of the total, 110 various funded projects were approved from Jan-Aug this year, bringing in foreign funds worth \$160 million.

By analyzing foreign-funded projects newly absorbed this year, we can see that industrial projects, totalling 103, occupy an absolute proportion; the industrial projects represent 97 percent of the total number of projects.

This not only shows that the structure of foreign investment absorbed by Shanghai is getting better and more rational, but at the same time also shows certain non-production projects are effectively under control. Statistical figures indicate that Hong Kong occupies top position in new projects absorbed this year, followed by United States and Japan.

### Central-South Region

#### Guangdong Faces 'Grim' Law, Order Situation

HK1809100990 Hong Kong TA KUNG PAO in Chinese  
7 Sep 90 p 2

["Special dispatch": "According to Provincial Public Security Department Head, Guangdong's Public Order Situation Is Still Grim"]

[Text] Guangzhou, 6 Sep (TA KUNG PAO)—Wen Guangzhi, director of the Guangdong Provincial Public Security Department, today delivered a report on the province's public order situation to the provincial People's Congress and said that the public order situation remained grim and it was impossible to bring a fundamental turn for the better within a short time.

Wen Guangzhi said when analyzing the current situation in law and order: First, the incidence of criminal cases,

especially serious criminal cases, remained at a high level. From January to July this year, a total of more than 108,000 criminal cases were filed. Among them, 149 cases were cases of robbery with firearms or using firearms in criminal activities, increasing by more than 200 percent over the same period of last year. Second, the activities of criminal gangs became more rampant in some localities. In the first seven months of this year, a total of 4,704 criminal gangs were cracked in Guangdong. Third, criminal activities related to the "seven evils" remained rather rampant. Fourth, hostile elements and hostile forces inside and outside China continued to step up their sabotage activities.

Wen Guangzhi said that mental preparations should be made for carrying out prolonged struggle against crimes. He said: At present, efforts should be concentrated on stabilizing the overall situation, dealing severe blows at serious criminal offenders, and eliminating the "seven evils." At the same time, comprehensive measures should be adopted and carried out continuously to maintain law and order. Public order should be improved at the grass-roots levels through mobilizing and relying on the masses. Local and neighborhood police stations and security departments in grass-roots units should improve their work and raise work efficiency. Mass organizations for maintaining public order should also be consolidated. Hostels, waste purchasing shops, houses for rent, roadside inns, beauty shops, and various public recreation places should be further inspected and reorganized, and their management should be further regularized and institutionalized in order to strictly prevent these places from sheltering evil people and countenancing evil practices. More efforts should be made to strengthen education for and supervision over people who have been released after undergoing reform and reeducation through labor, as well as juvenile delinquents.

Wen Guangzhi also said: In order to further strengthen the construction of the public security contingent, strictly enforce police discipline, and effectively prevent corruption, by the end of October this year, the public security institutions throughout the province will carry out a round of general disciplinary inspection, and resolute action will be taken against various discipline-violating phenomena. At the same time, training for the police force will also be intensified in order to raise its combat effectiveness in fighting against violent crimes.

#### Shenzhen Consolidates Press Institutions

HK1109152990 Hong Kong MING PAO in Chinese  
31 Aug 90 p 9

["Special dispatch" by Hsiao Chien (4682 0494): "Shenzhen Only Allows 19 Press Institutions To Continue Operations"]

[Text] Offices that were set up in Shenzhen by press institutions from other parts of the country were recently ordered to register anew with the department concerned

in Shenzhen as a part of a consolidation operation. It is expected that some of these offices will be closed down as a result of this operation.

Shenzhen has reportedly become a focus of attention for the press since it became a special economic zone. In consequence, many newspapers, radio broadcast stations, news agencies, and magazines, from the central to local levels, have set up their offices in Shenzhen. Now a total of 60 to 70 offices of this kind are operating in Shenzhen.

Some of these offices belong to official press institutions directly under central organs. Most of them have been carrying out news coverage appropriate to their status and played a part in publicizing Shenzhen. However, some other units which are not so well established, such as correspondent stations and offices set up by press institutions at the city and provincial levels, have engaged in activities inappropriate to their status. In the name of press institutions, they have made every effort to sell their advertising space, engaged in illegal profit-making activities, or even played a part in illegal buying and resales, thus hurting the reputation of the press.

Some people often show up on public occasions in Shenzhen, posing as reporters. But in fact they are jobless people from other places. Not long ago, a reporter of XX LAONIAN BAO, who claimed himself to be a special representative from a certain Taiwan establishment, showed a group of self-styled Taiwan businessmen around Shenzhen, and visited some enterprises under the pretext of a fact-finding tour to enjoy free drinks and banquets. Later, investigations showed this man had been dismissed by his newspaper office long ago.

The target of the current operation launched by the department concerned of Shenzhen City is to clear away most of the press offices and let only 19 continue to operate. Of these 19 offices that are to remain, 11 are directly subordinate to central press institutions and four subordinate to Guangdong Province. Although Hong Kong and Macao reporters are subject to strict regulations in Shenzhen, the city authorities will still allow four Hong Kong and Macao press institutions, consisting of two newspapers, a news agency, and an economic journal, to keep their correspondent stations or offices in Shenzhen.

Apart from straightening out offices of non-local press institutions, the Shenzhen authorities will continue to keep local press institutions under strict ideological and political control. Two newspapers published in Shenzhen were ordered to suspend publication after the 4 June incident and still have not resumed operation so far. And they are still undergoing internal screening and consolidation. Apart from these two newspapers, namely, SHEKOU TONGXUN BAO [SHEKOU GAZETTE] and SHENZHEN SHANG BAO [SHENZHEN COMMERCIAL NEWS], which have suspended publication, another economic theoretical journal,

YINJIN [INTRODUCTION] has also been ordered to suspend publication because of its over-liberal views.

### Guangdong Industrial Output Up 9.6 Percent

OW1509073390 Beijing XINHUA in English  
0702 GMT 15 Sep 90

[Text] Guangzhou, September 15 (XINHUA)—The industrial output value in south China's Guangdong Province reached 64.339 billion yuan (13.64 billion U.S. dollars) in the first half of this year, representing a 9.6 percent increase over the same period of last year, according to an official from the provincial planning commission.

Wang Guiying, director of the commission, said that the gross national product of the province was 6.4 percent higher than the same period of last year.

He attributed the continuous growth of economy to foreign trade and international economic cooperation.

Thanks to the development of foreign-funded enterprises which have been set up in recent years, the total export volume from January to July this year reached 5.616 billion U.S. dollars, a 43.78 percent increase over the same period of last year.

In the past seven months this year, foreign businessmen directly invested 656 million U.S. dollars, registering a 25.11 percent increase.

### Commentary Urges Cadres To Learn From Lei Feng

HK1009140990 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 4 Sep 90

[Text] We are now broadcasting a short commentary entitled: Party Members and Leading Cadres Must Take Lead in Learning From Lei Feng, and Emulate Each Other in Contribution.

The experience of Xinxiang City has shown that Communist Party members and leading cadres taking the lead in learning from Lei Feng is of great significance.

First, it promotes the restoration and development of the fine tradition and work style of the party and the implementation of the spirit of the Sixth Plenary Session of the 13th CPC Central Committee. The spirit of Lei Feng is the communist spirit, and the fruit of traditional virtue of the Chinese nation. Its core is the communist spirit. Communist Party members and leading cadres taking the lead in learning from Lei Feng and actively doing practical work and good things for the masses is very helpful to enhancing the quality of our party members, giving play to their vanguard and exemplary role, and forming closer ties between our party and the masses on the one hand, and between our cadres and the masses on the other.

Second, it can promote the activities of learning from Lei Feng in society, so they can persist in a down-to-earth and sustained way. As an old saying goes: Those below

will follow the behavior of those above. The action of leaders is a silent order. In the early 1960's, the activities of learning from Lei Feng was flourishing. This was caused to a great extent by Communist Party members and leading cadres. The situation in Xinxiang and many other places has shown that in places where Communist Party members and leading cadres take the lead in learning from Lei Feng and set a good example for the masses, the activities of learning from Lei Feng can be carried out in a down-to-earth and sustained way with effective results.

We should bear in mind Communist Party members and leading cadres learning from Lei Feng must focus on practice and are valued for their perseverance. Fighting only on paper or engaging in idle theorizing does not work, nor does regarding the activities of learning from Lei Feng as simply window dressing. The practice of learning from Lei Feng for one day, but forgetting him for the whole year is now allowed. Only by earnestly practicing what they have advocated and working assiduously and perseveringly, can Communist Party members and leading cadres become examples of learning from Lei Feng.

#### **Hunan Holds Radio, TV Propaganda Symposium**

*HK1809085490 Changsha Hunan Provincial Service  
in Mandarin 2300 GMT 16 Sep 90*

[Text] The provincial symposium on radio and television literary and artistic propaganda was held in Changsha from 14 to 16 September.

The symposium summed up our radio and television literary and artistic propaganda experiences, analyzed difficulties and problems facing audio-visual propaganda at present, called on radio and television departments at all levels to unify understanding, adhere to a correct orientation, strengthen management, advance literature and art, and provide more rich and varied spiritual food to the people of the whole province.

Provincial Radio and Television Department Deputy Director (Sun Taishan) made a report entitled: Advocate the Spirit of the Present Era, Advance Audio-visual Literature and Art, at the start of the symposium. He conscientiously reviewed the basic situation of our provincial radio and television literary and artistic work over the past decade and called on departments at all levels to correctly handle the relationship between the orientation of serving the broad masses of the people and serving workers, peasants, and soldiers, and the principle of letting a hundred flowers blossom and a hundred schools of thought contend; between keynote and diversification, between national culture and foreign cultures, between audio-visual literature and art and social literature and art, and between social results and economic results; advocate the spirit of the present era, and adhere to a correct literary and artistic orientation and role. The principal responsible comrades of radio and television stations must attach equal importance to literary and artistic propaganda as they do to news propaganda,

simultaneously grasp both news and literature and art, and create necessary conditions for advancing radio and television literature and art.

Provincial party committee Deputy Secretary (Yang Zhenwu) went to see deputies attending the symposium and delivered an important speech on how to advance radio and television literature and art at the closing session of the symposium. In his speech, he fully affirmed the important role played by our provincial radio and television propaganda in maintaining social stability, uniting people, and promoting the building of two civilizations since reform and opening up to the outside world. At the same time, he also pointed out problems existing in the propaganda and areas where improvement should be made, called on departments to fully understand the importance and urgency of advancing audio-visual literature and art, attach great importance to ideological and artistic qualities, and practically strengthen leadership over propaganda. When talking about attaching great importance to ideological and artistic qualities of audio-visual literature and art, he put forward four views: 1) To adhere to the orientation of serving the broad masses of the people and serving workers, peasants, and soldiers, and implement the principle of letting a hundred flowers blossom and a hundred schools of thought contend; 2) to reflect the spirit of the present era and eulogize socialism; 3) to embody distinctive national features and maintain local flavor; 4) to make elaborate and meticulous efforts to create and produce better and quality programs. He said that the key to advancing the work lies in strengthening leadership. It is necessary to overcome oneness in ideological understanding, place radio and television literary and artistic propaganda on an important agenda, strengthen work planning, mobilize the enthusiasm of literary and art workers, and strictly enforce propaganda-related organizational disciplines.

(Wen Xuande), deputy director of the propaganda department of the provincial party committee, also delivered a speech at the symposium.

Provincial Radio and Television Department Director (Yang Shifang) made a summary for the symposium.

Department Deputy Director (Li Qingning) made explanations on formulating the Hunan provincial radio and television literary and artistic propaganda management regulations.

HUNAN RIBAO Director and chief editor (Liang Xinchun), provincial Culture Department Director (Xie Ruofu), and (Liu Mintai), deputy secretary of the leading party group of the provincial federation of literary and art circles also attended and delivered speeches at the symposium upon invitation.

## Northeast Region

### Heilongjiang Secretary Attends Meeting in Harbin

SK1409132590 Harbin HEILONGJIANG RIBAO  
in Chinese 13 Aug 90 p 1

[Text] The 12th meeting of the correspondents of BAN YUE TAN concluded in Harbin on 12 August after a six-day session. Outstanding correspondents and advanced units who had made remarkable achievements in the distribution of BAN YUE TAN were commended at the meeting. During the meeting, Sun Weiben, secretary of the provincial party committee, attended and gave a speech. He said that BAN YUE TAN enjoyed high prestige among the masses, and that success in the publicity and distribution of BAN YUE TAN is needed in ideological and political work.

### Sun Weiben Writes Inscription for Book

SK1509235190 Harbin Heilongjiang Provincial  
Service in Mandarin 0900 GMT 14 Sep 90

[Text] A ceremony to mark the first publication of a book "The Second Spring of Starting a New Life," published by Harbin Publishing House was held at the veteran cadres' activity center in Harbin today. The author of this book is (Wang Xinghua), member of the Standing Committee of the provincial Advisory Commission, secretary general of the provincial Advisory Commission, and president of the provincial society of the aging. This book mainly focuses on the study of social measures for solving the problems of old people and on how old people should spend their remaining life.

Comrades Wang Shoudao, Yang Dazhi, (Yun Gaotang), Li Lian, and Sun Weiben respectively wrote inscriptions and prefaces for this book. Wang Luming, chairman of the provincial Advisory Commission, and Zhou Wenhua, deputy secretary of the provincial party committee, attended the ceremony to mark the first publication of the book and gave a speech.

### Liaoning People's Congress Holds Meeting

SK1809024490 Shenyang Liaoning Provincial  
Service in Mandarin 1030 GMT 17 Sep 90

[Text] The 18th Standing Committee meeting of the provincial People's Congress opened in Shenyang today. Wang Guangzhong, chairman of the provincial People's Congress Standing Committee, presided over the meeting. At this afternoon's session, Zhang Zhiyuan, vice chairman of the provincial People's Congress Standing Committee, spoke to relay the guidelines of the 15th Standing Committee meeting of the Seventh National People's Congress.

Deputies heard reports on the Liaoning provincial draft regulation on the trade unions of foreign-invested enterprises, the draft for revision of the Liaoning provincial experimental methods for enforcing the PRC organic law of villagers' committees, the Liaoning provincial draft

regulation on agricultural contracts, the Liaoning provincial draft regulation on management of medical organs, the Liaoning provincial draft regulation on statistical supervision and inspection, the Liaoning provincial revised draft regulation on management of rivers, and on examining the Fushun City provisional regulations on examination, approval, and supervision of budget and final accounts.

The meeting will also hear the provincial government's opinions on opening of Liaodong peninsula to the outside world, on the current improvement and rectification of township enterprises and on future work arrangements, and a report on our province's situation in religious work and opinions on future work.

Attending the meeting were Zhang Tiejun, Tang Hongguang, Feng Yousong, Zuo Kun, Cheng Jinxiang, Li Jun, and Yu Xiling, vice chairmen of the provincial People's Congress Standing Committee, as well as 49 members. Wen Shizhen, provincial vice governor, Fan Fangping, vice president of the provincial Higher People's Court, and Xu Sheng, chief procurator of the provincial People's Procuratorate, attended as nonvoting delegates.

### Liaoning Advisory Commission Work Report

SK1509023990 Shenyang LIAONING RIBAO  
in Chinese 9 Aug 90 p

[Work report of the Liaoning Provincial Advisory Commission submitted to the Seventh Liaoning CPC Congress on 31 July 1990]

[Excerpts] Following is the report on the work of the Liaoning Provincial Advisory Commission during the past five years, submitted to the Seventh Liaoning Provincial CPC Congress for examination and discussion. 1. The Liaoning Provincial Advisory Commission was elected and established in June 1985, and then it was composed of 43 members. In 1986, the central authorities approved to add one member to the commission. During the past few years, four members died of illness. Now, the commission consists of 40 members. [passage omitted]

The practice of the provincial Advisory Commission during the past five years shows that the establishment of this commission is completely necessary because this commission has promoted the cadre structural reform, and has played a positive role in upholding the party's basic line and in promoting the progress of reform and opening up and the building of material and spiritual civilization.

During the past five years, the provincial Advisory Commission conscientiously executed the functions, duties, and tasks stipulated by the party Constitution, and attended to the following tasks with the joint efforts of all members under the leadership of the provincial party committee.

A. The committee supported the work of the provincial party committee, positively set forth opinions, and served as a good political adviser and assistant to the provincial party committee.

The past five years were a very extraordinary period in our party history. Thanks to the constant deepening of the economic structural reform and the gradual progress of the political structural reform, our country scored tremendous achievements in socialist construction undertakings. However, our country was also confronted with some setbacks and numerous difficulties. In particular, the struggle of checking turmoil and quelling the Beijing counterrevolutionary rebellion in 1989 made our country undergo an extremely rigorous test. In this important time when economic construction is being carried out and reform and opening up are being continuously deepened, and under circumstances by which political struggle and class struggle become acute and complicated, all comrades of the provincial Advisory Commission had a profound understanding of their duties, and considered the all-out support to the work of the provincial party committee as their fundamental task of serving as good advisers and assistants of the provincial party committee. During the past few years, through the forms of making members attend as observers the plenary sessions of the provincial party committee, making chairman and vice chairmen attend as observers the Standing Committee meetings of the provincial party committee, holding joint conferences of the standing committees of the provincial party committee and the provincial Advisory Commission, and holding group meetings of members of the provincial Advisory Commission, the provincial Advisory Commission took an active part in the study and discussion of the drawing-up of various major principles and policies of the province, offered opinions and proposals in a timely manner, consciously safeguarded the party's unity and unification ideologically and politically, and helped the provincial party committee in conscientiously implementing the line, principles, and policies of the party Central Committee. For instance, in 1985 the commission participated in the discussion of the "Seventh Five-Year Plan," the "organizational restructuring," the "party rectification," and the "building of the third echelon." In 1986, the commission participated in the discussion of "deepening the urban and rural economic structural reform," the "opinions on strengthening the building of socialist spiritual civilization," and the "questions on straightening out party style and strengthening ideological and political work." In 1987, the commission participated in the discussion of the "decision on accelerating the export-economic construction of Liaodong peninsula" and the policy of "upholding the four cardinal principles and opposing bourgeois liberalization." At the end of 1987 and in 1988, the commission participated in the discussion of "deeply implementing the guidelines of the 13th party congress and conducting education on the party's basic line" and "strictly managing the party and strengthening the building of clean government." In addition, the commission participated in the discussion

of various government work reports, various work reports of the plenary sessions of the provincial party committee and some other important documents. In the process of drawing up the above-mentioned major principles and policies, the provincial Advisory Commission always conscientiously participated in discussion, accepted counsels, and positively offered many opinions and suggestions.

In the summer of 1989, the turmoil and the counterrevolutionary rebellion that broke out in Beijing spread to Liaoning. At the critical moment which had a bearing on the future and destiny of the party and the country, comrades of the provincial Advisory Commission soberly analyzed the situation, earnestly pondered over problems, firmly followed the stand of the party, always closely united themselves with the provincial party committee, clearly persisted in the four cardinal principles and opposed bourgeois liberalization and turmoil. In the meantime, they supported the series of correct policy decisions adopted by the provincial party committee, and positively played their role as advisers and assistants to the provincial party committee in stabilizing the overall situation of Liaoning and in implementing the guidelines of the fourth, the fifth, and the sixth plenary sessions of the 13th party Central Committee.

Going down to the grass roots to conduct investigation and study, and reporting situation and offering suggestions to the provincial party committee are major work methods of the provincial Advisory Commission. During the past five years, more than 40 members went down to rural areas, plants, schools, shops, and other grass-roots units to conduct investigation and study in a planned way in close connection with the central work of the provincial party committee. These members offered more than 130 written investigation reports, covering more than 800,000 characters. [passage omitted]

Generally speaking, the opinions offered by members of the provincial Advisory Commission with regard to certain policy decisions of the provincial party committee and the proposals offered by members in their investigation reports during the past five years were in keeping with the line and policies laid down since the third plenary session of the 11th party Central Committee, with the demand of the "one central task and two basic points," and with the demands of the party Central Committee and the provincial party committee in major matters. Thus, the commission supported the work of the provincial party committee, and played its role as a political adviser and assistant to the provincial party committee.

B. The commission extensively conducted the social work, strengthened its ties with the masses, and propagated the party's principles and policies.

Retreating from the first line provided a favorable condition for veteran comrades of the provincial Advisory Commission to conduct the social work. During the past five years, in addition to regarding the way of going deep

to the grass-roots units to conduct investigation and study as an important way to establish contact with the masses, in the course of encouraging each member to respectively establish contact with one grass-roots unit or one mass group, the provincial Advisory Commission also conducted activities in many fields, thus strengthening the extensive contact with cadres and the masses.

The commission took active part in the work and activities of social and mass groups of various kinds. [passage omitted]

The commission actively launched activities to propagate social morality and educate the people with social morality. [passage omitted]

The commission organized members to visit old revolutionary areas, disaster areas, and poverty-stricken areas. [passage omitted]

In extensively conducting the social work, the commission was always willing to and tried its best to conduct the matters the comrades of the first line were unable to deal with for lack of time, the matters other than central tasks which were liable to be neglected by others, or the matters which are more suitable for the provincial Advisory Commission to deal with. As a result, the commission played a positive role in many fields.

C. The commission strengthened the study of theories and policies, and made its members more conscious in executing the party's line and policies.

At the first plenary session of the provincial Advisory Commission, it was definitely stressed: To understand and comprehend the important principles and policies of the central authorities in a timely manner, and to keep abreast of new situations and new matters, which change with each passing day, we should regard the study as an important work of the provincial Advisory Commission. During the past five years, proceeding from the reality, the commission organized all its members to study Marxist-Leninist philosophy, the basic theory of scientific socialism, the theory of the initial stage of socialism offered by the 13th party congress, the theory of Comrade Deng Xiaoping with regard to building socialism with Chinese characteristics, and the series of principles and policies concerning the party's basic line and concerning reform and opening-up. [passage omitted]

In study, members of the commission persisted in the principle of integrating theory with practice, and paid attention to summarizing experience and drawing lessons, thus being able to clearly distinguish right from wrong and reach unanimity of understanding with regard to some major questions. After deepening their understanding of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, members came to understand that this theory is the outcome of combining the Marxist theory of scientific socialism with China's current practice of revolution and is also a developed Marxism. After deepening their understanding of the theory of the initial stage of socialism,

members came to understand that the initial stage of socialism is a considerably long historical stage, and it is necessary to uphold the policy of focusing all undertakings on economic construction, the four cardinal principles, and the policy of reform and opening up. After deepening their understanding of the Marxist theory of class struggle and the theory of party building, members came to understand that under the current international and domestic situation characterized by acute and complicated political and class struggle, it is necessary to truly strengthen party building and enhance the ability of resisting peaceful evolution and opposing infiltration and subversion. All in all, through study, members became able to keep abreast of the demand of the development of the current situation; deepened their understanding of the party's line, principles, and policies; and became more conscious in maintaining a high degree of unanimity with the party Central Committee in ideology and politics. [passage omitted]

D. The commission strengthened the construction of itself, and preserved and carried forward the party's fine tradition and work style.

In building itself, the provincial Advisory Commission paid attention to three points. First, it strictly demanded members to seek no personal privileges. [passage omitted] Second, it demanded members to strengthen their sense of discipline, and earnestly participate in activities of the provincial Advisory Commission and party organizations. [passage omitted] Third, it strengthened the building of administrative honesty. [passage omitted]

Reviewing the work during the past five years, it can be generally said that the commission earnestly executed the positions, duties, and tasks stipulated by the party Constitution, and successfully played its role as a political adviser and assistant to the provincial party committee. However, many defects and shortcomings remained because the commission conducted its work in the course conducting studies and exploration. First, the collective role of the provincial Advisory Commission was not fully exploited. The commission frequently participated in the discussion of major issues of the provincial party committee and offered opinions and suggestions in the name of individual members; however, it paid little attention to reporting the situation to its members in a timely manner, organizing its Standing Committee members or other members to commonly discuss and study the situation, and offering opinions and proposals in the name of the plenary session and the Standing Committee of the provincial Advisory Commission. Second, the commission failed to exert enough efforts in discussing major issues in a well-organized and more effective manner. When the commission was just established, it organized all its members to conduct investigation and study of the work towards veteran cadres, but, a large number of investigations and studies were conducted by members individually and in a scattered manner. In particular, towards some major issues, such as party building, the political and ideological work,

and the work related to veteran cadres, there was a lack of well-organized and planned endeavor in conducting investigation and study. Third, the commission failed to firmly grasp the implementation of the "circular on giving full play to the role of members of the provincial Advisory Commission who are in various cities," issued by the provincial party committee in 1987; and failed to help in a timely manner pertinent cities and provincial-level organs in implementation of this circular, thus failing to exploit the role of members of the provincial Advisory Commission who were in various cities and organs. Fourth, the commission failed to positively provide study materials for its members to study theories, and failed to make specific arrangements and give specific guidance to them. All these problems will be subject to further discussion and improvement in the future practice on the basis of conscientiously summarizing experience.

2. What happened during the past five years made us understand that to achieve success in the work of the provincial Advisory Commission, attention should be paid to the following several points:

First, the commission must conduct its work under the leadership of the provincial party committee. This is the basic principle for the work of the provincial Advisory Commission. [passage omitted]

Second, the commission must regard the all-out support for the work of the comrades working on the first line as its most important task. [passage omitted]

Third, the commission should carry forward democracy, and encourage members to speak their minds freely. This is the guarantee for seeking unity of thinking and making every member to serve as a good adviser. [passage omitted]

Fourth, the commission members should pay attention to studying theories and policies. This is an important condition for achieving success in the work of the provincial Advisory Commission.

Fifth, the commission should launch activities in line with its own characteristics and in adherence to the principles of "discussing principles or ideological guidelines rather than dealing with concrete matters relating to work, doing less work rather than more work, doing everything in one's power, and doing what one is capable of." [passage omitted] 3. The next five years constitute the most critical period for us to realize our country's strategic goal for political, economic, and social development in the 1990's. [passage omitted]

First, the commission should conscientiously implement the party's basic line, and serve as good political adviser and assistant to the provincial party committee. [passage omitted]

Second, the commission should warmly support the work of new leading bodies, and further promote the work of building up the ranks of cadres who are more

revolutionary, younger, better educated, and professionally more competent. [passage omitted]

Third, the commission should pay attention to strengthening the work of party building, and maintain the flesh-and-blood relations with the masses. [passage omitted]

Fourth, members of the commission should strive to study well the basic theory of Marxism, and constantly improve their understanding of theories and policies. [passage omitted]

While electing the new term of office, many veteran comrades will retreat from the provincial Advisory Commission. We hope that they will continue to show concern for and give support to the work of the provincial party committee, and continue to make contributions in the future.

The Seventh CPC Congress of Liaoning Province is an extremely important congress in the party history of our province. This congress will certainly exert a far-reaching influence on the province's political and social stability, on the invigoration of Liaoning's economy, on the province's reform and opening-up, and on the strengthening of party building. We completely support the report made by Quan Shuren at this congress on behalf of the provincial party committee. The provincial Advisory Commission will conscientiously implement the guidelines of this congress, and will make due contributions to promoting the development of various social undertakings of our province!

## Northwest Region

### Shaanxi's Foreign-Funded Businesses Do Well

OW1809132090 Beijing XINHUA in English  
1058 GMT 18 Sep 90

[Text] Xian, September 18 (XINHUA)—Eighty percent of the 61 operational foreign-funded businesses in Shaanxi, an inland province in northwest China, are doing well and 30 of them have recovered their original investment and started making profits.

This was announced today by an official from the provincial commission of foreign economic relations and trade.

By the end of July, Shaanxi had approved 155 foreign-funded businesses, involving a total contractual investment of 1.15 billion U.S. dollars, with 340 million U.S. dollars-worth of investment committed.

The enterprises include producers of electronics, textiles, machinery, pharmaceuticals, and instruments, as well as hotels and service trades.

The official said that the province's operational foreign-funded businesses have so far earned 36 million U.S. dollars in foreign exchange from exports since 1983. Last year, their exports totaled 19 million U.S. dollars.

This year, half of the 61 operational foreign-funded businesses exported products to more than 20 countries and regions.

Shaanxi boasts good transportation facilities with networks of railways and highways, and abundant natural resources. In 1983, the province launched its first Sino-foreign joint venture. Since then, businessmen from a dozen countries and regions have come to Shaanxi to discuss opportunities to introduce cash, technology, and equipment or launch solely foreign-funded and cooperative ventures or joint ventures.

In recent years the province has shifted its foreign investment priority to production enterprises, the official said.

To attract foreign investors, Shaanxi has formulated 18 preferential policies and a 16-article set of regulations on taxation for foreign-funded businesses.

### Article Examines Xinjiang Ethnic Tension

*HK1709145390 Hong Kong TANGTAI in Chinese No 42, 15 Sep 90 p 18*

[Article by Chi Ta (1323 6671): "Jiang Zemin and Qiao Shi Recently Inspected Xinjiang, Which Was on the Verge of Turmoil"]

[Text] The Asian Games are almost due and security problems are a CPC headache. Toward the end of last month Qiao Shi again called for "harsh crackdowns" at a public security meeting; and RENMIN RIBAO and JIEFANGJUN BAO have run important articles calling on the people to look out for troublemakers—all these indicate the grim security situation.

Besides, the CPC is worried that something might go wrong in minority nationality areas. The most sensitive one lately has been Xinjiang where successive demonstrations and riots on different scales occurred between this June and early August. Qiao Shi and Jiang Zemin have recently undertaken an inspection tour to the region and showed deep concern over the ethnic conflicts in the area.

### A Total of 500 "Bandit Gangs" Have Been Arrested

Influenced by the independent movements in various Soviet republics, since June small-scale riots and disturbances have occurred along southern Xinjiang in places like Aksu, Kizilsu, Kirgiz, Kashi, and Hotan. The CPC determined to deal harshly with these "insurgents," started rounding up "counterrevolutionaries," cracked 500 "bandit gangs," and arrested thousands of people. At the height of the operation, Qiao Shi, CPC Central Committee Political Bureau Standing Committee member, made an inspection tour to Xinjiang. Between 3 and 29 July, accompanied by Song Hanliang, Xinjiang Regional CPC Committee secretary; and Tomur Dawamat, party deputy secretary and autonomous regional chairman, Qiao Shi visited a southern Xinjiang area

where trouble had occurred, expressed solicitude for the whole body of southern Xinjiang Military District commanders and soldiers and straightened out local administrative official groups. He revealed: "The Central Committee is very concerned about stability in Xinjiang. Xinjiang is a multinational area, borders with several countries, and has a very important strategic status. The party's original Xinjiang policy cannot be changed but must be adhered to." On 28 July in Urumqi, Qiao Shi called a meeting of Xinjiang's chief party, political, and military leaders and those of the Production and Construction Corps to relay the central spirit. At the meeting he stressed: "We must resolutely oppose national separatism. Religious work in Xinjiang remains guided by the Central Committee-formulated religious policy."

### Under the Influence of the Soviet Union's Independent Movements

After the southern Xinjiang-stationed People's Liberation Army gained control of the area, calm has returned, for the moment, to southern Xinjiang. But the hatred between minority nationalities and Han people there runs deep. As neighbors such as Soviet Armenia, Lithuania, Estonia, Latvia, and Georgia declared their independence; Xinjiang Kazaks, Kirgiz, Russians, and Uzbeks, who have similar religious faiths and blood relationships, were doubly stimulated and their wish for independence became increasingly intense, with the result that the atmosphere in Xinjiang is tense and highly explosive.

To a very large extent the ethnic contradictions in Xinjiang have to do with the Hui nationality living there. They believe in Islam and, like Xinjiang Uygurs, are Muslims. They are the second largest population group in the Chinese Islamic Church, the first being the Uygur people. The Hui nationality shares with the Uygur many similar contradictions and hatreds for the CPC.

At present Xinjiang has a population of 14 million, half of it are Han people and the rest minority nationalities (Uygurs, Kazaks, Hui, and so on). The Hui nationality accounts for one third of all the minority nationality populations. As Hui people write Chinese characters and are almost assimilated by the Han people, they communicate better with the Han and play an important role among Xinjiang's minority nationalities.

Informed sources say ethnic disturbances are often incited, masterminded, or led by Hui people. The residence pattern of Hui people in China is "small scattering and big concentration." Most of them are distributed over Ningxia, Gansu, Yunnan, and Xinjiang. They are very smart and have very strong and uncompromising temperaments. The Hui people's hatred for the CPC started in the 1930's and 1940's. When the CPC Red Army's Fourth Front Army passed through Hui populated districts in Qinghai and Gansu Provinces, local armed forces led by local leaders Ma Hongkui and Ma Bufang killed quite a few Red Army soldiers, with the

result that Zhang Guotao's troops had only a few hundred left. This angered many high-ranking generals in the Central Committee. After liberation the religious feelings of the Hui and Uygurs alike were deeply hurt by the CPC. The CPC repeatedly interfered with their Islamic religious faith. As a result two relatively large riots broke out in 1974 and 1981 in Hui populated areas in Shadian, Yunnan, and Ningxia. They exchanged fire with the CPC Army stationed there; but in the end, under central instructions, they were suppressed. What happened to Shadian, Yunnan was the worst, where almost the whole village was wiped out during the battle—only 200 out of the 5,000 villagers have survived. The area is now the only place where the CPC has unofficially allowed the open carrying of guns. Many of the illegal guns come from Shadian. Very naturally the Hui in Xinjiang are full of hatred toward the CPC.

#### **The Hui People Incited Incidents of Which the Uygurs Bore the Brunt**

The present ethnic disputes in Xinjiang are extremely complicated as the feelings of various nationalities toward the CPC are not exactly identical. The Hui people's hatred of the CPC is mainly historical. Their anticommunist feelings are very strong and their strikes are generally vicious. The Uygurs' hostility is directed mainly toward the Han people. When speaking of the population proportions they would say: "In the past, for every two Hans we had eight Uygurs, now we are half and half." They resent the Han's occupation of their land. The Hui and Uygurs' common anger is that the CPC has been trying to change their religious beliefs. The

Chinese Government does not allow the existence of religious power and privileges in Xinjiang, nor does it tolerate any religious opposition party or leadership from this source lest it disrupt national unity. Today in Xinjiang there still is the saying "Bearded Wang (Wang Zhen) mocked the Akhund (a person who presides over Islamic religious rites)." When Wang Zhen was a commander in Xinjiang, to deal with Muslims he ordered soldiers to eat pork in front of a mosque to mock their religion.

The "Sex Customs" published in Shanghai in May 1989 touched on Islamic sex life and this greatly harmed and desecrated their religious faith. Close to one thousand Muslims petitioned before the gate of the Shanghai Municipal Government. Later in Urumqi, a hundred thousand or more flocked to the newly built People's City Hall Square. The news at that time missed one incident. The truth was, incited and led by the Hui, Muslims overturned and burned cars parked at the square and a riot broke out. When government armed policemen arrived on the scene Hui people took off their white hats and mingled in the crowds passing as Han people. Whereas those shot and wounded by the People's Liberation Army [PLA] in the riot were Uygurs, who were distinguished by the colorful hats they wore; were those who were finally arrested and executed or jailed were not Hui people. Whenever Xinjiang people talk of the riot they speak in simple Chinese: "White hats" and "colorful hats" tried to beat up "big hats." The result was that only "colorful hats" ended up beaten by "big hats." (Local Uygurs call the PLA the "big hats.")

**Taiwan Independence Activities Viewed**

HK1709053590 Hong Kong LIAOWANG OVERSEAS  
EDITION in Chinese No 35, 27 Aug 90 p 21

[Article by Fan Zhongxin (5400 1813 0207): "New Characteristics in 'Taiwan Independence' Activities Within and Without the Island"]

[Text] Since this spring, there have been some noticeable changes in "Taiwan independence" activities including their guiding principles, slogans, tactics, and methods. These changes are mainly characterized by the following:

**"Advocates for Taiwan's Independence" on the Island Appear in Public**

Overseas "Taiwan independence" organizations and figures are publicly returning to Taiwan to carry out activities. "Taiwan independence" forces on the island have openly gathered and established organizations. This is the first characteristic of recent activities in "Taiwan's independence advocates." Since this spring, overseas "Taiwan independence" organizations have sent people back to Taiwan, the main ones being:

- During February and March, Taiwan's independence advocate Huang Hua openly launched a touring election campaign on the island with "establishing the new nation of Taiwan" as the aim. He called it the "enlightenment" movement for "Taiwan's independence."
- At the end of April, the headquarters of the "New Nation Movement" and other organizations officially announced in Taichung the founding of the "New Nation Alliance" with the aim of "fighting for Taiwan's independence and striving to found the nation of Taiwan."
- In the second half of June, Chen Chao-nan, an important member of the former "Taiwan Revolutionary Party," and Tsai Tung-jung, former chairman of the "Taiwan Alliance" openly returned to Taiwan. They decided to stay in Taiwan and devote themselves to the "referendum" movement which is aimed at obtaining "independence for Taiwan."
- In June, Hsu Shih-chieh, Chang Tsan-hung, and Kuo Pei-hung, responsible persons of the overseas "Taiwan Independence Alliance" asserted several times that the "Taiwan Independence Alliance" was preparing to "move to Taiwan" as soon as possible and that it would first publicize its secret branches on the island.
- From 28 June to 4 July, famous overseas "Taiwan independence" figures Chen Tang-shan, Wu Ying-yi, Liao Shu-tsung, Wu Feng-pei, Chang Fu-mei, Yang Huang Mei-hsing, and others were officially invited by Li Teng-hui to Taiwan for the "National Affairs Conference." On the rostrum and outside the conference hall of this "presidential consultation meeting," they publicly and "legitimately" propagated their views on the "theory of China's separation," "one

nationality, two countries," "two countries, two governments," "founding the new and independent nation of Taiwan," and so forth.

—At the end of July, the famous "different-view organization," the "North American Taiwan Professor's Association" (NATPA) held its annual meeting in Taipei and some famous "Taiwan independence" advocates were allowed entry into Taiwan to participate in it by the Taiwan authorities.

—In the meantime, the "Asia-Pacific Democratic Association" under the leadership of Peng Ming-min, former chairman of the "Taiwan Independence Alliance," also called on its members to publicly "try" to apply for reentry into Taiwan. They are ready to shift the center of activities to Taiwan Island.

—Since China and Saudi Arabia established diplomatic relations, important figures of the Democratic Progress Party [DPP] Central Committee have made various statements urging the Taiwan authorities to change the nation's name to "Taiwan," to break the diplomatic deadlock. The "NATPA" annual meeting, which is being held in Taiwan, also made the "political suggestion" that the Taiwan authorities should not call it "China" and change its national name to "Taiwan," so that it "can reenter the international community under that name."

**Slogans and Methods "Legalized"**

At present, the "Taiwan independence" forces on the island and the "Taiwan independence" advocates who have returned from abroad are paying more attention to avoiding the bitter slogans and appeals of the past for "Taiwan's independence," which were strongly anti-Kuomintang [KMT] and urged the use of violence. They use relatively mild slogans such as "Taiwan's future is decided by referendum" and "Found a new nation for which the people make the constitution." Although this strategy, which is called "structural margin" or "within structure" contending strategy, had already been used a year ago, it has become more general since the beginning of this year. This strategy is especially used for the special "provincial identity ties" of Taiwan supreme leaders so that they will begin to express "sympathy, to a certain degree, with" the authorities. The result will be that those advocating "Taiwan's independence" and those advocating "independent Taiwan" will come closer to each other and will have more "common ground." Let us examine the following: —At the end of February, Peng Ming-min delivered a speech in the United States, supporting Li Teng-hui's "presidential" election and "democratic reform" in the island.

—In early April, Yang Huang Mei-hsing, former chairman of the "All-America Taiwan Compatriot Fraternal Association," expressed approval of Li Teng-hui's convening the "National Affairs Conference" and carrying out "reform in the Constitution."

—In early April, Hsu Shih-chieh, chairman of the "Taiwan Independence Alliance," expressed approval in the United States, of convening the "National Affairs Conference." He proposed that "the future of Taiwan should be discussed first."

—In mid-May, Shih Ming-te published the article "Taiwan Independence in the Pattern of the Republic of China," urging people to recognize Taiwan's independent and integrated international legal name, the "Republic of China." The article also says that the major objective of "Taiwan's independence" is to "prevent the PRC from succeeding as the next foreign ruler of Taiwan."

—In the second half of July, news spread from the overseas "Taiwan Independence Alliance" that it would publicly abandon the use of violence and adopt nonviolent principles for the struggle and that it was preparing to disband in form. In this way, it will be in a better position to reenter Taiwan and carry out activities there.

In the meantime, it seems that there has been a relatively great change in the Taiwan authorities' stand. On the one hand, they have relaxed the limitations on "organizations and persons holding different views. For example, they have not only granted "amnesty" to a number of "rebels advocating Taiwan's independence" but also invited famous "Taiwan independence" advocates from abroad, including Peng Ming-min and Chen Tang-shan, to the "National Affairs Conference." After the conference, Li Teng-hui gave a courteous reception to these "overseas representatives." Moreover, in order to grant the "freedom of speech" to those holding "Taiwan independence" political views, the "Legal Affairs Department" of the authorities indicated that it would revise the relevant specifications of Article 100 in the "Criminal Law," so that those stating views about "Taiwan's independence" would be spared from the "criminal net." Recently, the Immigration Management Office of the "Home Affairs Department" announced that those holding different political views are allowed entry into Taiwan and their former words and deeds will not be held accountable if they do not resort to violence.

#### **Promote "Taiwan Independence" by "Concrete Work"**

In the past, "Taiwan independence" activities were mainly the propagation of "Taiwan independence" and depicting the "new nation" and "blueprint." At present, more emphasis is placed on concrete work "within the structure" and "in the structural margin." This is the third characteristic of the "Taiwan independence" activities. For example, the "New Nation Alliance," founded at the end of April last, decided to set up 51 branches all over Taiwan to sow the seeds of the "Taiwan independence concept" and to "elect political participating members" to comprehensively promote the "new nation

movement." Under the alliance is the "training committee" which is responsible for "training cadres" and laying the groundwork for peacefully obtaining state power.

From 1 to 3 June, over 40 "Taiwan independence" bodies held a meeting in Los Angeles known as the "People's Discussion Meeting on the Future of Taiwan." The meeting decided to establish the "Constitution-Making Movement Committee," giving impetus to the formulation and promotion of a new constitution. It decided to carry out some specific supplementary activities on the island for "formulating a new constitution." In July, Tsai Tung-jung, who had returned Taiwan from the United States, decided to join the DPP and stay in Taiwan to promote activities such as the "referendum" and "people making the constitution." He published the self-compiled "referendum handbook" to propagate the "Taiwan independence" view.

#### **The Future Development Trend**

As for the future development trend of "Taiwan's independence advocates," this author believes that: First, "Taiwan independence" forces on and outside the island will tend to cooperate with each other more closely and their concerted actions will increase. The echoes from the coordination among the "New Nation Alliance," overseas "Taiwan Independence Alliance" and overseas "New Nation Alliance" deserve our particular attention.

Second, "independent Taiwan advocates" and "Taiwan independence advocates" will further "communicate and cooperate with each other." Taiwan's KMT will probably accept some appeals from "Taiwan's independence advocates" on the premise of "ensuring Taiwan's security and well-being." Agreements on "discussing no reunification or independence," "making Taiwan's security the most important premise," etc., reached at the "National Affairs Conference," can be regarded as the preliminary results of their communication and cooperation.

Third, there may be dissensions among "those carrying out the "Taiwan independence movement." Since some "Taiwan independence advocates" express "sympathy" with the authorities and with the "National Affairs Conference," the methods they use tend to be milder. This has caused strong discontent among "radicals who advocate Taiwan's independence." The fact that some "personalities holding different political views" returned to Taiwan for the "National Affairs Conference" is strongly criticized by many "Taiwan independence advocates" by saying that they "have betrayed the principles, surrendered, made a compromise, and ruined the Taiwan independence movement." These divergencies appear rather serious and will probably lead to the breaking up of the "Taiwan independence movement." The struggle between the "moderate Taiwan independence line" and the "radical Taiwan independence line" will be stronger than ever before.

**CPC Members To Be Permitted To Enter Taiwan***OW1809094290 Taipei CHUNG YANG JIH PAO  
in Chinese 13 Sep 90 p 1*

[Text] In deliberating regulations on relations between the two sides of the Taiwan Strait, the Mainland Work Task Force under the Executive Yuan on 11 September approved that people on the mainland who joined rebellion organizations may enter Taiwan after obtaining permission and that those who truthfully state so while applying for an entry permit will not be prosecuted or punished. This means that when these regulations go through the legislative process, people on the mainland who are members of the Communist Party may enter Taiwan after obtaining permission and that they will no longer need to declare their withdrawal from the Communist Party and will be exempt from punishment under the regulations governing the punishment of rebels.

Article 15 of the regulations on relations between the two sides of the Taiwan Strait, which were deliberated and approved on 11 September, reads in full as follows: People on the mainland who committed crimes of rebellion or crimes related to foreign aggression, joined rebellion organizations, participated in rebellion meetings, or conducted propaganda to benefit traitors in areas other than Taiwan may enter Taiwan after obtaining permission, and they will be exempt from prosecution and punishment provided they truthfully state so while applying for an entry permit. Those who enter Taiwan to attend conferences or activities approved by competent authorities will be treated likewise when they are permitted in special cases not to declare their affiliations.

Liao Cheng-hao, acting spokesman of the Executive Yuan Mainland Work Task Force and deputy director general of the Government Information Office, pointed out: The law provides that a member of the Communist Party must declare his withdrawal from his party before coming to Taiwan. Our country is under the rule of law, and we must implement the policy according to the law. When the regulations on relations between the two sides of the Taiwan Strait go through the legislative process, Article 15 of the regulations can be cited to rescind provisions of the regulations governing the punishment of rebels. Then, members of the Communist Party will no longer need to declare their withdrawal from their party when coming to Taiwan. This shows the tolerant attitude taken by the government.

In addition, to meet the needs of hosting international conferences or activities by our country, members of the Communist Party who come to Taiwan with mainland groups, after obtaining permission in special cases, may enter Taiwan without declaring their withdrawal from their party or stating their affiliations.

**Government Spokesman on Democracy, Mainland Ties***OW1709073790 Taipei CNA in English 0343 GMT  
17 Sep 90*

[Text] Buenos Aires, Sept. 15 (CNA)—The Republic of China [ROC] on Taiwan has worked to establish a competitive, multi-party democracy since the government lifted its martial law in July 1987, Dr. Shaw Yu-ming, director-general of the Government Information Office [GIO], said here Saturday.

"The rapidity of this transition and the fact that it occurred without major social upheaval is almost without parallel elsewhere," Shaw said.

In an address at a welcome reception given in his honor, the Republic of China Government spokesman told a group of more than 200 Argentine dignitaries, including leading journalists and academic and cultural sectors, that one of the results of overall political democratization and social pluralization has been rapid growth of the mass media.

There are over 170 newspapers with a total daily circulation of 5.7 million copies in Taiwan and Taiwan has one of the highest readership rates in the world or one in every four of Taiwan's 20 million people subscribes to a newspaper, Shaw said.

Shaw pointed out that more importantly, these newspapers represent the entire range of political and social views—without censorship or government intervention.

Interest groups of all sorts have emerged since lifting of martial law and causes the groups support range from consumer and environmental protection to rights of women and the handicapped, he noted, adding that each interest group competes for resources and attention on the one hand and has to learn tolerance, sharing, and compromise on the other hand.

"This pluralistic nature of this society prevents not only any one of these groups or sectors of society from monopolizing political, economic, social, or cultural resources but also serves to protect political democracy and maintain economic and social justice," Shaw said.

Dr. Shaw told his guests that the Republic of China is what social scientists call a "post-industrial society." Per capita income in the Republic of China now exceeds 7,500 U.S. dollars, and approximately 80 percent of the population categorizes itself as middle or upper class. In a post-industrial society, social and political changes tend to be effected through gradual reform than radical revolution and the nation's stable social and political development is attributable to these values and operational model.

Speaking on the Republic of China's successful economic development, Dr. Shaw said that over the past twenty years, the Republic of China on Taiwan has enjoyed the highest average economic growth rate in the world. With such a phenomenal record, it is difficult to

remember that at each step along its path of development, the Republic of China was confronted with—and successfully overcame—many serious challenges.

"Guided by the experience gained from years of careful planning and sound management of the economy, the ROC is now addressing the new challenges of the day, and working to improve its international competitiveness and further advance its economic development," Shaw noted.

"We are optimistic about our future for the following reasons," he said, adding that the vast human resources continuing to be upgraded; the abundant supply of capital, and capital resources continuing to be grown; the upgrading of industrial structure, thus strengthening ROC-made products competitiveness; and the increase of outward investments. [sentence as received]

"The ROC investments in other countries continue to grow and outward investment in 1989 expanded to 10 billion U.S. dollars, up from 6 billion U.S. dollars in 1988," he said.

He said that these efforts to strengthen and internationalize the economy of the Republic of China should bring significant improvements in the quality of life in Taiwan. According to a prediction made by the government economic planning section, by the year 2000, Taiwan will attain a per capita GNP over 20,000 U.S. dollars, placing this nation in the top 20 economies of the world. The same prediction also indicates that the ROC foreign trade in the year 2000 will exceed 350 billion U.S. dollars, which will advance the Republic of China from the 12th to the 10th largest trading nation in the world, he said.

Touching on the cultural event, he said that Chinese intellectuals have debated the question of whether the Chinese culture and tradition are outdated. The old struggle between modernity and tradition may continue to concern some, but on Taiwan today, culture has found a happy medium. Where once Confucius was denounced as old and outdated, today his philosophy is credited as underlying the values which have brought economic success to the four newly industrialized dragons of Asia—the Republic of China, the Republic of Korea, Singapore and Hong Kong, he said.

Mentioning relations with mainland China, Dr. Shaw told his guests that Taiwan residents have made over one million trips to mainland China since November 1987, when Taiwan residents were first permitted to visit mainland China.

"This unofficial exchange has done much to increase understanding between the two sides of the Taiwan straits and even more importantly, through these contacts, we are able to share Taiwan's development experience with mainland Chinese, in the hope that Taiwan's successful economic, political, and social development can serve as a reference for the mainland China," he added.

Dr. Shaw, accompanied by his wife, arrived here Saturday afternoon for a three-day private visit at the invitation of the Argentine Journalist Association.

#### **Taiwan Sees Donating to Gulf Costs a 'Duty'**

*OW1809094890 Taipei CHUNG YANG JIH PAO in Chinese 15 Sep 90 p 1*

[Text] On our country's providing donation to share the Middle East crisis expenditures, Vice Foreign Minister Chang Hsiao-yen confirmed on 13 September that we have indeed expressed to the United States our willingness to make donation and share the international duties. Responding to reporters' questions, he emphasized: As a member of the international community, "this is our bounden duty." The exact amount of the donation is not yet determined, pending further consultations with the departments concerned. It can be either larger than the reported \$100 million, or smaller than it.

Chang Hsiao-yen said: Continued worsening of the Gulf crisis will negatively affect our economy. While many countries are making sacrifices on the forefront of the Middle East for the well-being of the whole world, our country should not sit by and watch. Our people should regard the donation as our international duty, not merely as an action based on the Republic of China-U.S. friendship.

On our aid to the Middle East, Foreign Minister Chien Fu told reporters on 13 September, the eve of his departure for visits abroad, that Vice Foreign Minister Chang Hsiao-yen's explanation to the public represents precisely his views, and that while the amount of the donation is still under review, he is not supposed to make further comments before it is decided.

#### **No Repatriation for Now for Mainland Stowaway**

*OW1709232690 Taipei CNA in English 1524 GMT 17 Sep 90*

[Text] Taipei, Sept. 17 (CNA)—The Republic of China [ROC] Government will for the time being, [words indistinct] July boat accident in the Taiwan Strait, the Taiwan Garrison Command (TGC) said Monday.

The stowaway, Chou Sun-feng, survived the July 22 [words indistinct] 25 of 76 mainland stowaways being repatriated from Taiwan aboard the Min Ping Yu No. 5540 were found to have suffocated when the fishing boat reached the mainland coast, a TGC spokesman said.

Chou slipped into Taiwan again on Sept. 14 and turned himself in to the police the next day, saying he wanted to seek political asylum in Taiwan, the spokesman said. He is now under custody in an accommodation center for illegal mainland immigrants.

The Control Yuan, the country's watchdog body which has assigned four members to investigate the boat accident, summoned Chou to the yuan for questions in an

attempt to clarify facts about the accident which has caused a war of words between the two sides of the strait.

The 20-year old mainland youth told the yuan members that he had been forced by the Chinese communists to make false statements to support Peking's claim that the Republic of China Government was to blame for the accident.

In fact, Chou said, the 25 victims died because the captain of the fishing boat, chosen from among the repatriates, had confined them in the boat's hold and left only a small hole through which air could pass. The captian and his gang did so because they wanted to control the boat, he added.

The one who should be held responsible was the boat captain, not the Taiwan Garrison Command unit responsible for the repatriation process, Chou said, a statement that largely confirmed an earlier investigation report released by the command.

Shih Chung-hsiang, convenor of the Control Yuan investigation group, said Chou's statements indicated that reports released by the XINHUA News Agency, a Chinese communist mouthpiece, were biased, untrue and purposely misleading.

Chou said he hoped he could stay in Taiwan because if he were sent back to the mainland, the communists would punish him for what he had said here.

Chou will not be repatriated, at least for now, because he is still under investigation, the Taiwan Garrison Command spokesman said. But he added that the command has no right to decide whether the mainlander could stay in Taiwan permanently. The cabinet decided Monday in a routine meeting on social order that the government might consider treating Chou as a "special case" if what he said proves to be true, cabinet spokesman said.

According to the government's current policy, all mainland stowaways must be repatriated. During the past three years, some 10,000 mainlanders caught trying to slip into Taiwan have been sent back to the other side of the strait.

The country's human rights association decided in a meeting on Monday to send a group to Fukien Province, the location of most of the mainland stowaways, to collect information about the accident.

#### **Police Demand Mainland Investigate Piracy**

*OW1709202090 Taipei CNA in English 1521 GMT  
17 Sep 90*

[Text] Taipei, Sept. 17 (CNA)—The Criminal Police Bureau of the Republic of China [ROC], completing its own investigation into alleged mainland Chinese robberies of ROC fishing boats, demanded Monday that Peking probe the piracies and stop such incidents.

The National Police Administration also asked the International Criminal Police Organization (Interpol) based in Lyon, France, to publish the bureau's investigation results.

Three ROC fishing boats were attacked and robbed by an iron-hulled mainland Chinese boat off Taichung in central Taiwan Sept. 6.

Since martial law was lifted on July 15, 1986, there have occurred 11 similar incidents in which 18 ROC fishing boats have been preyed on. One death, 13 injuries and "uncountable" property losses, have resulted, the bureau said.

It asked Interpol to forward its demand that Peking investigate the piracies and take action to stop such incidents from happening again.

#### **Premier Sees Off Athletes to Asian Games**

*OW1709201990 Taipei CNA in English 1545 GMT  
17 Sep 90*

[Text] Taipei, Sept. 17 (CNA)—The Republic of China's 306-member team for the 11th Asian Games left for Peking Monday aboard a Cathay Pacific charter flight.

Prior to their Taipei departure, Premier Hao Po-tsun presented the team with a national flag which Chang Feng-hsu, president of the Chinese Taipei Olympic Committee, received on behalf of the athletes.

Hao said that it was of great significance for the Republic of China to participate in the 11th Asian Games in Peking after being absent for 20 years.

The premier encouraged the athletes to show their sportsmanship while striving to win.

The ROC athletes will compete in 20 sports events ranging from archery, track and field, basketball, boxing and cycling to women's soccer, golf, women's softball, table tennis, wrestling, and martial arts.

#### **Closer Economic Relations With Spain**

*OW1709211190 Taipei CNA in English 1433 GMT  
17 Sep 90*

[Text] Taipei, Sept. 17 (CNA)—The Republic of China [ROC] and Spain issued a joint statement Monday pledging to cement the bilateral economic and trade relations between the two countries.

The statement was issued at the end of a one-day ROC-Spain economic cooperation conference at the Rebar Crown Hotel in Taipei.

More than 110 business leaders and government officials from the two countries attended the conference which focused its discussions on bilateral investments, industrial technology cooperation, trade, and tourism.

According to customs statistics, the Republic of China exported 376 million U.S. dollars worth of products to Spain during the first eight months of 1990, up by 14.7 percent over the corresponding period of last year. Electronic products, sports goods, electrical appliances, plastic products, and telecommunications equipment were the major products shipped to Spain.

During the same period, Republic of China imports from Spain, including transportation equipment, metals, and chemicals, dropped 16.4 percent from a year ago, to 105 million U.S. dollars.

#### **Trade With Southeast Asia Grows**

*OW1709212390 Taipei CNA in English 1401 GMT  
17 Sep 90*

[Text] Taipei, Sept. 17 (CNA)—The Republic of China's [ROC's] trade surplus with Southeast Asia during the first eight months of this year surpassed that of the ROC with the United States, the Board of Foreign Trade [BOFT] said Monday.

During the eight-month period, BOFT noted, the Republic of China's trade surplus with Southeast Asian countries reached 6.25 billion U.S. dollars, while its surplus with the United States amounted to 5.23 billion U.S. dollars.

BOFT also reported that between May and August, Hong Kong replaced Japan as the ROC's third largest export market following the United States and Europe.

In August, the Republic of China exported 1.29 billion U.S. dollars worth of goods to Southeast Asia, up by 19.2 percent over the same month of 1989. Hong Kong alone took a 56 percent share, or 733 million U.S. dollars, of the total.

ROC exports to Japan last month totaled 662 million U.S. dollars while imports from Japan amounted to 1.26 billion U.S. dollars, resulting in a 605 million U.S. dollars monthly trade deficit with Japan.

### Hong Kong

#### 'Secret' Beijing Meeting on Hong Kong a Mystery

HK1609050490 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 16 Sep 90 p 10

[By Chia-Heng Kwok]

[Excerpts] A pate of articles in the Hong Kong press over the past two weeks and a categorical denial by a senior Chinese official have led to speculation over whether a top-level meeting had taken place in the Chinese capital where fresh directions and measures were mapped out over the handling of future affairs in the territory.

They also raised fresh questions on the status of the local branch of the New China News Agency (NCNA) and its relationship with two realted Chinese official bodies concerning Hong Kong matters.

The articles appeared to have been based largely on the work of one journalist who in successive days gave details of the Beijing meeting, said to be the most important and comprehensive session on the territory since the June 4 crackdown last year and the arrival of the new NCNA director, Mr Zhou Nan.

Attending the session, never officially reported, were said to be the senior leaders of three governmental bodies—the Hong Kong and Macao Affairs Office under the State Council, the Hong Kong branch of the New China News Agency and the Hong Kong and Macao Affairs Bureau under the Foreign Ministry. The session, it was said, was under the aegis of the party's Hong Kong and Macao Working Group of the Chinese Communist Party.

At least five top members of the local NCNA—Mr Zhou and four of his deputies—and several members of the Chinese side of the Anglo-Chinese Joint Liaison Group cuddled [as published] with their Beijing colleagues in the discussion of several relevant dominant topics that could affect the smooth transition of the territory during the seven-year countdown period.

Mr Zhou returned to Hong Kong last Sunday and, without referring to the Beijing huddle, stressed that China would continue to co-operate with Britain in implementing the Joint Declaration and that there had been no fresh measures.

A few days later, the deputy director of the Hong Kong and Macau Affairs Office of the State Council, Mr Lu Ping, denied there was ever such a session. He also denied categorically persistent press reports that the Hong Kong branch of the NCNA had been downgraded and placed under the State Council's office. Mr Zhou, the senior Vice-Foreign Minister until his arrival in Hong Kong last February, is a full governmental minister and the local branch enjoyed the status of a full ministry, Mr Lu said.

The denial has led to a fresh round of speculation and continuous reports in the Chinese press cast doubt on the validity and truthfulness of Mr Lu's statement.

However, according to knowledgeable sources, both the press reports and Mr Lu's statement were only partially true. A top-level meeting did take place in Beijing and several major issues were discussed, the sources said.

At the same time, it is also true that the local branch of the NCNA preserved its full ministerial status and the fact that many of its reports to Beijing were channelled through the Hong Kong and Macao Affairs Office meant the resumption of the traditional practice before the days of Mr Zhou's predecessor, Mr Xu Jiatur.

Furthermore, the sources said, Mr Rong Kang, who had just retired from the Hong Kong and Macao Affairs Office, had come to Hong Kong as a senior adviser to the NCNA at Mr Zhou's personal request and was not an indication, as the local press would have it, of Beijing tightening its control of Chinese organisations here. [passage omitted]

Contrary to local speculation, Beijing did not explicitly direct Mr Rong Kang to come to Hong Kong, although his presence here would greatly assist the personnel of the Hong Kong office in assessing and handling many thorny issues.

However, the puzzle remains of what exactly had happened in Beijing two weeks ago. Some claimed that certain important decisions were made but those close to Chinese sources maintained that the meeting was one of periodical consultations.

Until more information is made available in the weeks to come, the local press, particularly a few Chinese publications, is expected to continue to indulge in speculation.

#### XINHUA To 'Snub' Political Critics

HK1709030390 Hong Kong HONGKONG STANDARD in English 17 Sep 90 p 3

[By Fan Cheuk-wan]

[Text] The Hong Kong branch of the XINHUA NEWS AGENCY will snub leaders of local political and student organisations which have adopted a hard line against Beijing during the forthcoming National Day celebrations.

Reliable sources from the Hong Kong XINHUA said key leaders of the United Democrats of Hong Kong, the first political party in Hong Kong, would be excluded from the guest list for the National Day cocktail reception.

But political and student activists regarded by XINHUA as maintaining a more moderate attitude will be invited to attend on September 28.

XINHUA sources said the United Democrats would be excluded because of their intimate ties with the Hong Kong Alliance in Support of the Democratic Patriotic Movement in China, which Beijing branded "subversive".

"Although the United Democrats have repeatedly declared they will not meddle with internal Chinese

politics, the Hong Kong Alliance has refused to change its stance that it does not recognise the existing Beijing regime," one of the sources said.

"It is meaningless to say the United Democrats and the Hong Kong Alliance are two different groups."

After the recent reelection of the Hong Kong Alliance are two different groups."

"The Chinese government is willing to see the Hong Kong Alliance repent its policy towards China. But there is no signs showing they have the sincerity to improve the relationship with the Chinese government," the source said.

United Democrats chairman Martin Lee decided not to seek reelection as vice-chairman of the Hong Kong Alliance this month. But it was learned that the XINHUA did not regard Mr Lee as showing sufficient sincerity in a bid to improve his relationship with Beijing because of his decision to stay on the standing committee of the Hong Kong Alliance.

However, sources said XINHUA would send invitations to central leaders of three democratic groups—Meeting Point, the Hong Kong Association for Democracy and People's Livelihood and the Hong Kong Affairs Society—which had less involvement in the Hong Kong Alliance.

Currently the three democratic groups have refused to maintain official contact with the Chinese government in protest against Beijing's brutal crackdown of the student movement.

But five executive committee members of the Meeting Point last month held an informal meeting with Zhou Nan, director of the XINHUA, to discuss various problems involving Hong Kong's political development.

Meeting Point chairman, Anthony Cheung, said Mr Zhou had told his group that the Chinese government wished to see various social sectors of society, including the democrats, actively take part in the three elections next year.

"In fact, it is inevitable for political organisations in Hong Kong to have certain kinds of contact with the Chinese government since all the questions involving the transition period must be related to Beijing," Mr Cheung said.

"But our contact with the XINHUA will not bring any change to our consistent stance to condemn last year's military suppression."

Frederick Fung chairman of the Hong Kong Association for Democracy and People's Livelihood, said the XINHUA had twice invited him to have a private meeting but he had turned down the offer.

"But some members of our association have proposed to resume certain informal contact with the XINHUA in order to maintain a channel of dialogue with the Chinese government," he said.

#### Forced Repatriation of Vietnamese Could Resume

HK1609044890 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 16 Sep 90 p 3

[By Fiona Macmahon]

[Text] Mandatory repatriation of Vietnamese boat people could be resumed by the end of the year, albeit under the guise of "non-voluntary" repatriation, if high-level talks succeed next week between Vietnam, Britain, Hong Kong and the United Nations High Commissioner for Refugees (UNHCR).

The Government wants to resume the mandatory repatriation scheme to reinforce the message in Vietnam that Hong Kong has nothing to offer non-refugees, well head of next year's sailing season.

The Government strongly believes that while the mandatory repatriation exercise on December 12 last year was an international public relations disaster, it has led to a sharp drop in arrivals from Vietnam this year, particularly the north, with 4,860 coming in so far, as opposed to 34,000 in 1989.

But even if the figure is still much lower than in 1989 by the end of this year, and possible optimism that Hong Kong will not force people to return because of the United States's hardline opposition could be quashed at the Hanoi talks. [as published]

Refugee Co-ordinator, Mr Clinton Leeks, said yesterday that while the Government did want to get the message home in Vietnam that non-refugees should not come here, the Government did not have a specific time scale in mind.

"Of course we want to get the message home in Vietnam that non-refugees shouldn't come here, but we want to get a durable solution in place."

He said the objective of the talks was not simply to agree to return an example group.

"We are looking to get more durable arrangements in place to handle the return of non-volunteers."

He also added that the Government wanted to improve the voluntary repatriation.

"We genuinely feel that if everyone volunteers, that solves everyone's problems, but realistically that is not going to happen."

The talks, taking place from Wednesday to Friday, will be between the Vietnamese Assistant Foreign Minister, Mr Vu Khoan, the British Foreign Office's head of the Southeast Asian department, Mr David Colvin, and Hong Kong's Secretary for Security, Mr Alistair Asprey.

The talks will also involve the UNHCR, represented by the chairman of the Steering Committee, Mr Sergio Vieira de Mello, and the new regional head of the Asia and Oceania Bureau, Mr Jamshid Anvar.

The inclusion of the UNHCR in the discussions is a major breakthrough for the Government because it will give any non-voluntary returns an air of respectability.

Lord Caithness, the new British Minister with responsibility for Hong Kong, said negotiations with Hanoi were being pursued to speed up the process of "getting rid of the non-refugees".

However, he refused to state what timetable the Government was working towards.

Lord Caithness, who arrived yesterday for a six day visit, vowed to "fight" for Hong Kong, and said he was "looking forward to a very happy five days".

Rejecting suggestions that a minister who sat in the House of Lords was a move by the British Government to downgrade Hong Kong as an issue, Lord Caithness was emphatic that Britain regarded the concerns of the territory as very important.

He said that the Prime Minister, Mrs Margaret Thatcher, had reminded him when she offered him the job "just how important Hong Kong was to the British Government and Britain".

He added: "Although I might be new, I will tell you, I will fight for Hong Kong and its people because you don't want a British Government that just stands on the sidelines and applauds.

"You want a British Government that will support you and we will do just that."

He also said that while there might have been a change in ministers—Lord Caithness recently replaced Mr Francis Maude, who was Minister for little over a year—there had been no change in the government in Britain and therefore the policies towards Hong Kong remained the same.

Lord Caithness' visit follows the enactment of the British Nationality (Hong Kong) Act under which 50,000 key Hong Kong families are to be granted the right of abode in Britain.

The act was designed to help build confidence in the territory before its handover to China, which has vehemently protested against the measure and threatened not to recognise it.

The Governor, Sir David Wilson, and senior Government officials will brief Lord Caithness on the territory's development and plans in the run-up to 1997 during his stay.

Lord Caithness will be briefed on Hong Kong's plans for a new airport at Chek Lap Kok, on which Beijing is demanding to be consulted.

China has called for formal negotiations concerning the financing of the \$127 billion project.

The government is determined to go ahead with the mammoth project with or without China's blessing but the project's backers have feared lack of Chinese support could deter investors.

The minister, who will be in the territory until September 20, will also meet with the Sino-British Joint Liaison group here and visit Vietnamese boat people detention centres and refugee centres in the territory.

### Hong-Kong PRC Telecommunications Traffic

OW1509063390 Beijing XINHUA in English  
0019 GMT 15 Sep 90

[Text] Hong Kong, September 15 (XINHUA)—There has been a 51.7 percent growth in telephone calls from Hong Kong to the Chinese mainland in July this year over the same period of last year.

The figure was disclosed by Fung Hak-Ming, managing director of the Hong Kong Telecom International, while addressing the Lions Club of Victoria here Wednesday.

He said: "From our experience with our counterparts in the Ministry of Posts and Telecommunications in Beijing and the Guangdong Bureau, we have many reasons for confidence in the future.

"Our China traffic is responsible for about 40 percent of our international growth figures over the last few years."

Fung expected sustained growth in traffic with their neighbor to the north so they will continue to expand in this area.

He said "We now have four ways to reach China, microwave, optical fibre cables, analogue cables and satellite. We are currently maintaining over 4,000 circuits for traffic to China, and surely this number will steadily increase throughout the decade."

He noted that the Hong Kong Telecom has signed a three-year training agreement with the Guangdong Bureau of Posts and Telecommunications.

The first training session is currently taking place in Zhuhai Special Economic Zone, Guangdong Province.

He said Hong Kong Telecom International is planning a second fibre optic land cable into Guangdong Province, to terminate in Shenzhen.

The entire cost of the project is 23 million H.K. dollars (2.95 million U.S. dollars) and the cable will be ready for service by March 1991.

The new fibre optic land cable system will provide an initial capacity of 15,360 telephone channels, expandable to 46,080 telephone channels.

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